RED HERRING PROSPECTUS
Dated June 19, 2023
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

(Please scan this QR code to view the RHP)

IDEAFORGE TECHNOLOGY LIMITED
CORPORATE IDENTITY NUMBER: U31401MH2007PLC167669

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND E-MAIL	WEBSITE
EL-146, TTC Industrial Area, Electronic Zone MIDC, Mahape, Navi Mumbai, Thane 400 710, Maharashtra, India	Sonam Gupta, Company Secretary and Compliance Officer	+91 226787 5000 compliance@ideaforgetech.com	www.ideaforgetech.com

PROMOTERS OF OUR COMPANY: ANKIT MEHTA, RAHUL SINGH AND ASHISH BHAT

DETAILS OF THE OFFER TO PUBLIC

Type	Fresh Issue size***	Offer for Sale size	Total Offer size***	Eligibility and Reservation
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 2,400.00 million	Up to 4,869,712 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), as our Company did not fulfil requirements under Regulation 6(1)(b) of the SEBI ICDR Regulations. For further details, see '***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***' on page 381. For details in relation to share reservation among QIBs, NIIs, RIIs and Eligible Employees, see '***Offer Structure***' on page 400.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹)* ^
Ashish Bhat	Promoter Selling Shareholder	Up to 158,200 Equity Shares aggregating up to ₹ [●] million	0.04
Amarpreet Singh	Individual Selling Shareholder	Up to 8,362 Equity Shares aggregating up to ₹ [●] million	0.04
Nambirajan Seshadri	Individual Selling Shareholder	Up to 22,600 Equity Shares aggregating up to ₹ [●] million	43.00
Naresh Malhotra	Individual Selling Shareholder	Up to 22,600 Equity Shares aggregating up to ₹ [●] million	Nil
Sujata Vemuri	Individual Selling Shareholder	Up to 203,400 Equity Shares aggregating up to ₹ [●] million	2.63
Sundararajan K Pandalgudi	Individual Selling Shareholder	Up to 51,980 Equity Shares aggregating up to ₹ [●] million	38.48
A&E Investment LLC	Corporate Selling Shareholder	Up to 135,600 Equity Shares aggregating up to ₹ [●] million	43.81
Agarwal Trademart Private Limited	Corporate Selling Shareholder	Up to 53,200 Equity Shares aggregating up to ₹ [●] million	75.22
Celesta Capital II Mauritius	Corporate Selling Shareholder	Up to 1,106,722 Equity Shares aggregating up to ₹ [●] million	97.83
Celesta Capital II-B Mauritius	Corporate Selling Shareholder	Up to 131,758 Equity Shares aggregating up to ₹ [●] million	97.81
Export Import Bank of India	Corporate Selling Shareholder	Up to 202,044 Equity Shares aggregating up to ₹ [●] million	185.71
Indusage Technology Venture Fund I	Corporate Selling Shareholder	Up to 1,695,000 Equity Shares aggregating up to ₹ [●] million	91.16
Qualcomm Asia Pacific Pte. Ltd.	Corporate Selling Shareholder	Up to 1,055,646 Equity Shares aggregating up to ₹ [●] million	92.96
Society for Innovation and Entrepreneurship	Corporate Selling Shareholder	Up to 22,600 Equity Shares aggregating up to ₹ [●] million	0.04

* *As certified by Ramanand & Associates, Chartered Accountants, by way of their certificate dated June 19, 2023.*
^ *Calculated on a fully diluted basis.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue 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 per Equity Share. The Floor Price, the Cap Price and the Offer Price, as determined by our Company, Indusage Technology Venture Fund I ("**Indusage**"), and Celesta Capital II Mauritius and Celesta Capital II-B Mauritius (together, "**Celesta Capital**"), in consultation with the book running lead managers ("**BRLMs**"), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, in accordance with the SEBI ICDR Regulations, and as stated in '***Basis for Offer Price***' beginning on page 118, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to '***Risk Factors***' beginning on page 29.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by such Selling Shareholders in this Red Herring Prospectus to the extent of information specifically pertaining to it and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholder assumes no responsibility for any other statement in this Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges being the BSE and the NSE. For the purposes of the Offer, the Designated Stock Exchange shall be National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO		CONTACT PERSON	TELEPHONE AND E-MAIL
JM FINANCIAL	**JM Financial Limited**	Prachee Dhuri	**Tel**: +91 22 6630 3030 **E-mail**: ideaforge.ipo@jmfl.com
IIFL SECURITIES	**IIFL Securities Limited**	Pawan Jain/Shirish Chikalge	**Tel**: +91 22 4646 4728 **E-mail**: ideaforge.ipo@iiflcap.com

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	TELEPHONE AND E-MAIL
Link Intime India Private Limited	Shanti Gopalkrishnan	**Tel**: +91 810 811 4949 **E-mail**: ideaforge.ipo@linkintime.co.in

BID/OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD	June 23, 2023*	**BID/ OFFER OPENS ON**	June 26, 2023	**BID/ OFFER CLOSES ON**	June 29, 2023**#

* *Our Company, Indusage and Celesta Capital may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.*

** *Our Company, Indusage and Celesta Capital may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

*** *Our Company, in consultation with the BRLMs, has undertaken a private placement of 892,857 Equity Shares at a price of ₹ 672 per Equity Share, including a premium of ₹ 662 per Equity Share, aggregating to ₹ 600.00 million ("**Pre-IPO Placement**"). The size of the Fresh Issue of upto ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.*

\# *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

RED HERRING PROSPECTUS
Dated June 19, 2023
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

ideaForge
Create. Inspire

IDEAFORGE TECHNOLOGY LIMITED

Our Company was incorporated as "ideaForge Technology Private Limited" on February 8, 2007, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 8, 2007, issued by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"). Upon the conversion of our Company into a public limited company, pursuant to a resolution passed by our Shareholders on December 20, 2022, the name of our Company was changed to "ideaForge Technology Limited" and a fresh certificate of incorporation dated January 2, 2023 was issued by the RoC. For details in relation to the changes in the registered office of our Company, see '***History and Certain Corporate Matters - Changes in the registered office of our Company***' on page 216.

Corporate Identity Number: U31401MH2007PLC167669
Registered Office: EL-146, TTC Industrial Area, Electronic Zone MIDC, Mahape, Navi Mumbai, Thane 400 710, Maharashtra, India
Contact Person: Sonam Gupta, Company Secretary and Compliance Officer; **Tel.**: +91 22-67875000
E-mail: compliance@ideaforgetech.com; **Website**: www.ideaforgetech.com

PROMOTERS OF OUR COMPANY: ANKIT MEHTA, RAHUL SINGH AND ASHISH BHAT

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF IDEAFORGE TECHNOLOGY LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 2,400.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,869,712 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"), COMPRISING OF UP TO 158,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ASHISH BHAT ("PROMOTER SELLING SHAREHOLDER"), UP TO 8,362 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY AMARPREET SINGH, UP TO 22,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NAMBIRAJAN SESHADRI, UP TO 22,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NARESH MALHOTRA, UP TO 203,400 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SUJATA VEMURI, UP TO 51,980 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SUNDARARAJAN K PANDALGUDI, (THE "INDIVIDUAL SELLING SHAREHOLDERS"), UP TO 135,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY A&E INVESTMENT LLC, UP TO 53,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY AGARWAL TRADEMART PRIVATE LIMITED, UP TO 1,106,722 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY CELESTA CAPITAL II MAURITIUS, UP TO 131,758 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY CELESTA CAPITAL II-B MAURITIUS, UP TO 202,044 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY EXPORT AND IMPORT BANK OF INDIA, UP TO 1,695,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INDUSAGE TECHNOLOGY VENTURE FUND I, UP TO 1,055,646 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY QUALCOMM ASIA PACIFIC PTE. LTD. AND UP TO 22,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SOCIETY FOR INNOVATION AND ENTREPRENEURSHIP (COLLECTIVELY REFERRED TO AS THE "CORPORATE SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER AND THE INDIVIDUAL SELLING SHAREHOLDERS, REFERRED TO AS THE "SELLING SHAREHOLDERS").

THE OFFER INCLUDES A RESERVATION OF UP TO 13,112 EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY, INDUSAGE AND CELESTA CAPITAL MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), OFFER A DISCOUNT OF UP TO [●]% ON THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, HAS UNDERTAKEN A PRE-IPO PLACEMENT OF 892,857 EQUITY SHARES AGGREGATING TO ₹ 600.00 MILLION. THE SIZE OF THE FRESH ISSUE OF UPTO ₹ 3,000.00 MILLION HAS BEEN REDUCED BY ₹ 600.00 MILLION PURSUANT TO THE PRE-IPO PLACEMENT AND ACCORDINGLY, THE SIZE OF THE FRESH ISSUE IS UPTO ₹ 2,400.00 MILLION.

THE PRICE BAND, THE EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND INDUSAGE AND CELESTA CAPITAL, IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF THE FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND MUMBAI EDITION OF NAVSHAKTI (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion, the "**QIB Portion**"), provided that our Company, Indusage and Celesta Capital may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, Indusage and Celesta Capital, in consultation with the BRLMs (the "**Anchor Investor Portion**"), of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**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 QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, up to 13,112 Equity Shares aggregating up to ₹ [●] million will be available for allocation to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors ("**Non-Institutional Portion**") (out of which one-third of the portion available to Non-Institutional Investors will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion) and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. For details, see '***Offer Procedure***' on page 404.

RISKS IN RELATION TO FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Offer Price/ Floor Price/ Cap Price, as determined and justified by our Company, Indusage and Celesta Capital, in consultation with the BRLMs in accordance with the SEBI ICDR Regulations and as stated in '***Basis for Offer Price***', beginning on page 118, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/ or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares 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 Red Herring Prospectus. Specific attention of the investors is invited to '***Risk Factors***' beginning on page 29.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 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. Each of the Selling Shareholder severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Red Herring Prospectus to the extent of information specifically pertaining to it, and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholder assumes no responsibility for any other statement in this Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated March 24, 2023 and March 27, 2023, respectively. For the purposes of the Offer, NSE shall be the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and Section 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, see '***Material Contracts and Documents for Inspection***' on page 433.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM FINANCIAL	IIFL SECURITIES	LINKIntime
JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +91 22 6630 3030 **E-mail**: ideaforge.ipo@jmfl.com **Investor grievance email:** grievance.ibd@jmfl.com **Contact person:** Prachee Dhuri **Website:** www.jmfl.com **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 4728 **E-mail :** ideaforge.ipo@iiflcap.com **Investor grievance e-mail:** ig.ib@iiflcap.com **Contact person:** Pawan Jain/ Shirish Chikalge **Website:** www.iiflcap.com **SEBI Registration No.:** INM000010940	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India **Tel:** +91 810 811 4949 **E-mail:** ideaforge.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance e-mail:** ideaforge.ipo@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFERPROGRAMME

ANCHOR INVESTOR BID/ OFFER PERIOD	June 23, 2023*	**BID/ OFFER OPENS ON**	June 26, 2023	**BID/ OFFER CLOSES ON**	June 29, 2023**#

* *Our Company, Indusage and Celesta Capital may, in consultation with the BRLMs, consider participation by Anchor Investors.*
** *Our Company, Indusage and Celesta Capital may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*
\# *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended 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 Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018, as amended ("**SEBI ICDR Regulations**"), the Securities and Contracts (Regulations) Act, 1956, as amended ("**SCRA**"), the Depositories Act, 1996 as amended or the rules and regulations made thereunder. Unless the context otherwise requires, all references to 'we', 'us' and 'our' are to our Company and our Subsidiary, on a consolidated basis.*

*Notwithstanding the foregoing, terms in '**Statement of Possible Special Tax Benefits**', '**Industry Overview**', '**Key Regulations and Policies in India**', '**Financial Information**', '**Outstanding Litigation and Material Developments**' and '**Main Provisions of the Articles of Association**', beginning on pages 128, 132, 211, 251, 372 and 426, respectively, will have the meaning ascribed to such terms in those respective sections.*

General Terms

Term	Description
Company or Issuer	ideaForge Technology Limited, a public limited company incorporated under the Companies Act, 1956

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form
Allot or Allotment or Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Advice or intimation of Allotment sent to the successful Bidders who have Bid in the Offer 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 an Allotment is made
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and this Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of this Red Herring Prospectus, which will be decided by our Company in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and under the SEBI ICDR Regulations
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company, Indusage and Celesta Capital in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, Indusage and Celesta Capital in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, Indusage and Celesta Capital, in consultation with the BRLMs, 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

Term	Description
	above the Anchor Investor Allocation Price
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
ASBA or Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by UPI Bidders using the UPI mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Any Bidder (other than an Anchor Investor) in the Offer who intends to submit a Bid
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, the Refund Bank, the Public Offer Account Bank and the Sponsor Banks, as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in '***Offer Procedure***' on page 404
Bid(s)	An indication by a ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of this Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable In the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bidder or Applicant	Any prospective investor who makes a Bid pursuant to the terms of this 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 Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bid Lot	[●] Equity Shares
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of The Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located) and in case of any revision, the extended Bid/Offer 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

Term	Description
	under the SEBI ICDR Regulations Our Company, Indusage and Celesta Capital, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of The Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located**)** and in case of any revision, the extended Bid/ Offer Opening Date also to 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
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of this Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors Our Company, Indusage and Celesta Capital, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, being JM Financial and IIFL
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price
CDP or Collecting Depository Participant	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 lists available on the websites of the BSE and the NSE
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalised by our Company, Indusage and Celesta Capital in consultation with the BRLMs Only Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated CDP Locations	Such 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, respectively) as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfers funds from the Escrow Account, and funds blocked by the SCSBs and Sponsor Bank are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of this Red Herring Prospectus following which the Equity Shares will be Allotted in the

Term	Description
	Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs, Non-Institutional Bidders Bidding with an application size of up to ₹ 500,000 (not using the UPI Mechanism) and the Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, Registered Brokers, CDPs, SCSBs and RTAs In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI Mechanism), 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, respectively) as updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	NSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated February 10, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employee(s)	Permanent employees of our Company and its Subsidiary (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of this Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; or Director of our Company, whether a whole-time Director or otherwise, who is eligible to apply under the Employee Reservation Portion under applicable law as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Employee Discount	Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to 13,112 Equity Shares aggregating up to ₹ [●] million which shall not exceed 5% of the post Issue Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis

Term	Description
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement dated June 16, 2023 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank, and the Refund Bank(s) for, among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Escrow Account(s) will be opened, in this case being HDFC Bank Limited
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The issue of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 2,400.00 million by our Company Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of upto ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
IIFL	IIFL Securities Limited
JM Financial	JM Financial Limited
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	The agreement dated June 12, 2023 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	[●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see '***Objects of the Offer***' beginning on page 103
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Non-Institutional Bidder(s) or Non-Institutional Investor(s) or NII(s) or NIB(s)	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 200,000
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale. The Offer comprises the Net Offer and Employee Reservation Portion

Term	Description
	Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.
Offer Agreement	The agreement dated February 9, 2023 executed amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The Offer for Sale component of the Offer, comprising an offer for sale by Ashish Bhat of up to 158,200 Equity Shares aggregating up to ₹ [●] million, Amarpreet Singh of up to 8,362 Equity Shares aggregating up to ₹ [●] million, Nambirajan Seshadri of up to 22,600 Equity Shares aggregating up to ₹ [●] million, Naresh Malhotra of up to 22,600 Equity Shares aggregating up to ₹ [●] million, Sujata Vemuri of up to 203,400 Equity Shares aggregating up to ₹ [●] million, Sundararajan K Pandalgudi of up to 51,980 Equity Shares aggregating up to ₹ [●] million, A&E Investment LLC of up to 135,600 Equity Shares aggregating up to ₹ [●] million, Agarwal Trademart Private Limited of up to 53,200 Equity Shares aggregating up to ₹ [●] million, Celesta Capital II Mauritius of up to 1,106,722 Equity Shares aggregating up to ₹ [●] million, Celesta Capital II-B Mauritius of up to 131,758 Equity Shares aggregating up to ₹ [●] million, Export Import Bank of India of up to 202,044 Equity Shares aggregating up to ₹ [●] million, Indusage Technology Venture Fund I of up to 1,695,000 Equity Shares aggregating up to ₹ [●] million, Qualcomm Asia Pacific Pte. Ltd. of up to 1,055,646 Equity Shares aggregating up to ₹ [●] million and Society for Innovation and Entrepreneurship of up to 22,600 Equity Shares aggregating up to ₹ [●] million
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of this Red Herring Prospectus The Offer Price will be decided by our Company, Indusage and Celesta Capital in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of this Red Herring Prospectus A discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company in consultation with the BRLMs
Offered Shares	Up to 4,869,712 Equity Shares aggregating up to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer
Pre–IPO Placement	Private placement of 892,857 Equity Shares by our Company, in consulation with the BRLMs, at a price of ₹ 672 per Equity Share, including a premium of ₹ 662 per Equity Share, aggregating to ₹ 600.00 million. For further details, see '***Capital Structure***' beginning on page 76
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company, Indusage and Celesta Capital in consultation with the BRLMs will be advertised in all editions of the Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites Provided that the Cap Price shall be at least 105% of the Floor Price and shall not be greater than 120% of the Floor Price
Pricing Date	The date on which our Company, Indusage and Celesta Capital, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened

Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Offer
QIB Bid/ Offer Closing Date	In the event our Company, Indusage and Celesta Capital in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date
QIB Portion	The portion of the Offer being not less than 75% of the Net Offer or [●] Equity Shares, which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Red Herring Prospectus or RHP	This Red Herring Prospectus dated June 19, 2023 to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. This Red Herring Prospectus will be filed with the RoC at least three working days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being HDFC Bank Limited
Registrar Agreement	The agreement dated February 9, 2023 entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
RTAs or Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs)
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid Lot subject to availability in the retail portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms 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 and Eligible Employees can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other websites and updated from time to time
Share Escrow Agent	Link Intime India Private Limited
Share Escrow Agreement	The agreement dated June 15, 2023 entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	Bank registered with SEBI which will be appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders into the UPI
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Member, to collect ASBA Forms and Revision Forms

Term	Description
Syndicate Agreement	The agreement dated June 16, 2023 entered amongst our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Member in relation to the procurement of Bid cum Application Forms by the Syndicate
Syndicate Member	Syndicate member as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely JM Financial Services Limited
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Member
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders, 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 Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion, (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion and (iii) Eligible Employees who applied in the Employee Reservation Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 are required to use UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that shall be used by UPI Bidders to make a Bid in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI

Company Related Terms

Term	Description
Articles or Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in '***Our Management***' on page 222
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, B S R & Co. LLP
Board or Board of Directors	The board of directors of our Company (including any duly constituted committee thereof). For details, see '***Our Management***' on page 222
CCDs	Compulsorily convertible debentures, issued by our Company
CCPS	Compulsorily convertible preference shares of our Company of face value of ₹10 each
Celesta Capital	Together, Celesta Capital II Mauritius and Celesta Capital II-B Mauritius
Chairman and Independent Director	The Chairman and Independent Director of our Company, namely Srikanth Velamakanni. For details, see '***Our Management***' on page 222
Chief Executive Officer or CEO	The chief executive officer of our Company, namely Ankit Mehta. For details, see ***'Our Management'*** on page 222
Chief Financial Officer or CFO	The chief financial officer of our Company, namely Vipul Joshi. For details, see '***Our Management***' on page 222
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Sonam Gupta. For details, see '***Our Management***' on page 222
Corporate Selling Shareholders	Collectively, A&E Investment LLC, Agarwal Trademart Private Limited, Celesta Capital II Mauritius (formerly known as WRV II Mauritius), Celesta Capital II-B Mauritius (formerly known as WRV II-B Mauritius), Export Import Bank of India, Indusage Technology Venture Fund I, Qualcomm Asia Pacific Pte. Ltd. and Society for Innovation and Entrepreneurship
CSR Committee	The corporate social responsibility committee of our Board, as described in '***Our Management***' on page 222
Director(s)	The director(s) on our Board. For details, see '***Our Management***' on page 222
ESOP 2018	Employee Stock Option Scheme 2018, as amended
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	The executive director(s) on our Board, namely Ankit Mehta, Rahul Singh and Ashish Bhat. For details, see '***Our Management***' on page 222
Group Companies	Our group companies as disclosed in section '***Our Group Companies***' on page 379
Independent Chartered Accountant	The independent chartered accountant appointed by our Company, Ramanand & Associates, Chartered Accountants
Independent Chartered Engineer	The independent chartered engineer appointed by our Company, A. D. Joshi, Chartered Engineers and Valuers LLP
Independent Director(s)	The independent director(s) on our Board, namely, Srikanth Velamakanni, Sutapa Banerjee and Vikas Balia. For details, see '***Our Management***' on page 222
Individual Selling Shareholders	Collectively, Amarpreet Singh, Nambirajan Seshadri, Naresh Malhotra, Sujata Vemuri and Sundararajan K Pandalgudi
Indusage	Indusage Technology Venture Fund I
IPO Committee	The IPO committee of our Board, which comprises Ankit Mehta, Ganapathy Subramaniam and Mathew Cyriac
Key Managerial Personnel	Key managerial personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in '***Our Management***' on page 222
Materiality Policy	Policy for identification of (i) group companies, (ii) material outstanding civil litigation proceedings involving our Company, our Subsidiary, our Promoters and our Directors and (iii) material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated February 3, 2023
Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Non-Executive Nominee Director	The non-executive nominee directors on our Board, namely, Ganapathy Subramaniam and Mathew Cyriac. For details, see '***Our Management***' on page 222
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in '***Our Management***' on page 222
Praxian	Praxian Global Private Limited
1Lattice Report	Industry report titled "Drone Industry Report" released on June 9, 2023 prepared by Praxian Global Private Limited, appointed by our Company on October 6, 2022, and exclusively commissioned by and paid for in connection with the Offer. The 1Lattice Report shall be available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report, from the date of this Red Herring Prospectus till the Bid/Offer Closing Date
Preference Share	The preference shares of our Company which includes Series A CCPS, Series B 1 CCPS and Series B CCPS. For details, see '***Capital Structure***' on page 76

Term	Description
Promoters	The promoters of our Company, namely, Ankit Mehta, Rahul Singh and Ashish Bhat
Promoter Group	The individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see '***Our Promoters and Promoter Group***' on page 245
Promoter Selling Shareholder	Ashish Bhat
Registered Office	The registered office of our Company situated at EL-146, TTC Industrial Area, Electronic Zone MIDC, Mahape, Navi Mumbai Thane 400 710 Maharashtra, India
Registrar of Companies or RoC	The Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and our Subsidiary as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended and e-mail dated October 28, 2021 from Securities and Exchange Board of India to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021
Risk Management Committee	The risk management committee of our Board, as described in '***Our Management***' on page 222
Senior Management	Senior management of our Company in terms of the SEBI ICDR Regulations and as disclosed in '***Our Management***' on page 222
Series A 1 CCPS	Series A 1 CCPS of face value of ₹10 each
Series A CCPS	Series A CCPS of face value of ₹10 each
Series B1 CCPS	Series B 1 CCPS of face value of ₹10 each
Series B CCPS	Series B CCPS of face value of ₹10 each
SHA	Shareholders' agreement dated April 14, 2022, executed between our Company, our Promoters, Vipul Joshi, Agarwal Trademart Private Limited, Ashwin Limaye Jt. with Swati Trehan, Bhavin Shah, Deepak Sachdeva, Amardeep Singh, Sujata Vemuri, Prashant Puri, R. Laxman, Rahul Shah, Ramakrishna K.V., Naresh Malhotra, Society for Innovation and Entrepreneurship, Sundararajan K Pandalgudi, Dhruv Gupta, Galiakotwala Engineering Company Private Limited, Meghaa Karnani, Don Bosco Sequeira, Ganapathy Subramaniam, A&E Investment LLC, Ajay Doshi, Infina Finance Private Limited, Anuraag Shah, Ramesh Shah, Charulata C. Shah, Nambirajan Seshadri, Piyush Maheshwari, Puneet Maheshwari, Richa Garg, Vikas Malu, Ashish Gupta, Shaji Kumar Devakar, Bharat Jaisinghani, Nikhil Jaisinghani, Amita Desai, Devansh Gupta, Trifecta Venture Debt Fund I, Export Import Bank of India, WRV II Mauritius (now known as Celesta Capital II Mauritius), WRV II-B Mauritius (now known as Celesta Capital II-B Mauritius), Indusage Technology Venture Fund I, Qualcomm Asia Pacific Pte. Ltd., Infosys Limited and Florintree Enterprise LLP (collectively, the "**SHA Parties**"), as amended by the amendment agreement dated February 4, 2023 executed between the SHA Parties. For further details, see '***History and Certain Corporate Matters - Summary of Key Agreements and Shareholders' Agreement***' on page 219
Shareholders	The shareholders of our Company from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholder, the Individual Selling Shareholders and the Corporate Selling Shareholders
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in '***Our Management***' on page 222
Subsidiary	The subsidiary of our Company, namely, ideaForge Technology Inc. For details, see '***History and Certain Corporate Matters – Subsidiary of our Company***' on page 220
Whole-Time Directors	The whole-time directors of our Company

Technical/ Industry Related Abbreviations

Term	Description
ADR	Airborne data relay. ADR is a system for sending information between airborne vehicles and the ground.
Adjusted EBITDA	Calculated as EBITDA plus share based payments to employees

Term	Description
Adjusted EBITDA Margin (%)	Calculated as Adjusted EBITDA divided by Revenue from Operations
Adjusted ROCE %	Adjusted ROCE % provides how efficiently our Company generates earnings from the capital employed in our business after adjusting the share based payment
Adjusted ROCE	Adjusted earnings before interest and tax divided by Adjusted Capital Employed
Adjusted Capital Employed	Adjusted Capital Employed is calculated as total equity plus total borrowings minus intangible assets minus current borrowings minus cash and cash equivalents minus bank balance other than cash and cash equivalents
Adjusted EBIT	Adjusted earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs plus share based payments to employees
ATO	Assemble to order. ATO is a manufacturing process where products are built only after an order is received.
Average Equity	Average of the total equity attributable to the equity shareholders of our Company at the beginning and ending of the year/period
BIS	Bureau of Indian Standards
CAGR	Compounded annual growth rate is calculated as (end year value/ base year value) ^ (1/no. of years between base year and end year) – 1, wherein ^ denotes 'raised to'
CBU	Completely built up drone. CBU means a fully assembled drone that is ready to use.
CKD	Completely knocked down drone. CKD means a drone that comes in parts and needs to be assembled before use.
CCTV	Closed circuit television
COTS	Common off the shelf. COTS is a product or component that is readily available and can be used as is.
CTQ	Critical to quality. CTQ refers to characteristics of a product or service that are essential for meeting customer requirements.
Capital Employed	Capital Employed is calculated as total equity plus total borrowings minus intangible assets
DGFT	The Directorate General of Foreign Trade
DFR	Drone as first responder. DFR refers to the usage of drones in emergency situations to assist and support first responders.
DraaS	Drone as a Service. DraaS is a service that provides access to drones and related technologies on a rental or subscription basis.
EBITDA (₹ million)	Calculated as restated profit / (loss) for the period / year, plus finance cost, total taxes, and depreciation and amortization expense.
EBITDA Margin (%)	Calculated as EBITDA divided by Revenue from operations
EBIT	Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs
ERP	Enterprise resource planning
ESS	Environmental stress screening. ESS refers to a testing process that subjects products to harsh environmental conditions to identify potential failures.
GB	Gigabyte. GB is a unit of digital information storage capacity.
GCS	Ground control station. GCS refers to a system that allows operators to control and monitor unmanned vehicles from a remote location.
GIS	Geographic Information System. GIS refers to a system for capturing, storing, analyzing, and managing geographic data.
GPS	Global Positioning System
Growth in revenue from operations (%)	Calculated as a percentage of revenue from operations of the relevant period/year minus revenue from operations of the preceding period/year, divided by revenue from operations of the preceding period / year
Gross Profit (₹ million)	Calculated as revenue from operations less cost of materials consumed, changes in inventories of finished goods and work-in-progress
Gross Margin (%)	Percentage margin derived by dividing Gross Profit by Revenue from Operations
ISO	International Organization for Standardization
ISR	Intelligence, surveillance and reconnaissance. ISR refers to the use of technology to gather information, monitor activities, and assess situations in a particular area.
IT	Information technology
MTO	Make to order. MTO refers to custom-made products created specifically for each customer's order.
Net Asset Value per Equity Share	Net Asset Value per Equity Share is calculated as Net Worth attributable to equity shareholders as at the end of Fiscal period/year divided by the weighted average number of Equity Shares used in calculating basic earning per share.
Net Worth	Net Worth is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account,

Term	Description
	excluding foreign currency translation reserve
Number of flights launched	It is the flights launched / takeoff by drones of our customers
OEM	Original equipment manufacturer
Order Book	It is the total value of contracts that have not been executed, as of a certain date
Order Book split by defence and civil	As of a certain date, the total value of contracts won that have not been executed split between defence and civil
PCBA	Printed circuit board assembly. PCBA refers to the assembly of electronic components on a printed circuit board.
PPK	Post-processing kinematic. PPK refers to additional steps taken to enhance quality or accuracy after a process is completed.
PAT	Profit after tax
Profit after Tax (₹ million)	Restated profit / (loss) for the year as appearing in the Restated Consolidated Financial Information
Profit after Tax Margin (%)	Percentage margin derived by dividing Profit after Tax by Revenue from Operations
RVT	Remote video terminal. RVT is a device for remotely viewing and interacting with video content from a different location.
RoCE	Return on capital employed
RoE (%)	Return on equity
Return on Capital Employed	Return on capital employed is calculated as earnings before interest and taxes divided by Capital Employed
Return on Equity (%)	Restated profit for the year / period attributable to equity shareholders of our Company divided by Average Equity for the year/period.
Return on Net Worth (%)	Return on Net Worth is calculated as restated profit / (loss) after tax attributable to equity shareholders of our Company divided by restated Net Worth for Equity Shareholders of our Company.
Revenue from Operations	Revenue from operations as appearing in the Restated Consolidated Financial Information and includes sale of products and services as appearing in the Restated Consolidated Financial Information.
Revenue split by defence and civil	Revenue from Operations as appearing in the Restated Consolidated Financial Information divided between our Company's two key focus end use segments of defence and civil
SaaS	Software as a Service. SaaS refers to software accessed and used online without needing to install it on your own computer.
SKD	Semi knocked down drone. SKD refers to products sold partially disassembled, requiring assembly by the buyer.
TCO	Total cost of ownership. TCO refers to all costs associated with owning and using an item or asset.
UAS	Unmanned Aerial System
UAV(s)	Unmanned Aerial Vehicle(s)
VMS	Video management system. VMS is a software platform for managing video surveillance cameras and recorded footage.
VTOL	Vertical take-off and loading. VTOL refers to an aircraft or drone capable of vertical take-off and landing.

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	The BSE Limited
Category II FPI	FPIs registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder

Term	Description
DDT	Dividend distribution tax
DIN	Director Identification Number
DP ID	Depository Participant's Identity Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign currency non-resident account
FDI	Foreign Direct Investment
FDI Circular	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The 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
Financial Year or Fiscal or Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GoI or Government or Central Government	The Government of India
GST	Goods and services tax
HD	High definition
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income Tax Act	The Income-tax Act, 1961, read with the rules framed thereunder
Income Tax Rules	The Income-tax Rules, 1962
Ind AS	The Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended and the Companies (Accounts) Rules, 2014, as amended
IPO	Initial public offering
IST	Indian Standard Time
MCA	The Ministry of Corporate Affairs, Government of India
Mn or mn	Million
MSME	Micro, Small and Medium Enterprises
N.A.	Not applicable
Net Asset Value per Equity Share	Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the weighted average number of Equity Shares used in calculating basic earning per share
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price / earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SCRA	The Securities Contracts (Regulation) Act, 1956

Term	Description
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB & SE Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
State Government	The government of a state in India
Stock Exchanges	Collectively, the BSE and NSE
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations
Year/ Calendar Year	The 12 month period ending December 31

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

Certain Conventions

All references in this Red Herring Prospectus to 'India' 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.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in IST. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

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

Currency and Units of Presentation

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

Exchange Rates

This Red Herring Prospectus contains conversion of U.S. Dollar into Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be considered as a representation that such U.S. Dollar amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated below or at all. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of U.S. Dollar amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on		
	March 31, 2021	March 31, 2022	March 31, 2023
USD	73.50	75.81	82.22

Source: www.fbil.org.in

Financial and Other Data

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

The restated consolidated financial information of our Company and our Subsidiary as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprises of the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statement for the years ended March 31,2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended and e-mail dated October 28, 2021 from Securities and Exchange Board of India to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.

For further information of our Company's financial information, please see '***Financial Information***' on page 251.

There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. For details, see '***Risk Factors – 64. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition'*** on page 58. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as "**Fiscal**", "**Fiscal Year**") are to the 12 months ended March 31 of that particular year, unless otherwise specified.

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

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 29, 188 and 333, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Information.

Non-GAAP Financial Measures

This Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Capital Employed, Adjusted Return on Capital Employed, Net Worth, Return on Net Worth, Net Asset Value per Equity Share and certain other statistical information relating to our operations and financial performance (together, "**Non-GAAP Measures**") that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For the risks relating to our Non-GAAP Measures, see '***Risk Factors – 51. Certain Non-GAAP measures presented in this Red Herring Prospectus may have limitations as analytical tools, may vary from any standard methodology applicable across the drone industry, and may not be comparable with financial or statistical information of similar nomenclature presented by other peer companies.***' on page 53.

Industry and Market Data

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, no investment decision should be made solely on the basis of such information. Further, industry sources and publications are also prepared based on information as of a specific date and may no longer be current or reflect current trends.

The extent to which industry and market data set forth in this 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 we conduct our business, 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 – 39. Certain sections of this Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.***' on page 48.

Unless stated otherwise, industry and market data used in this Red Herring Prospectus is derived from the report titled, "Drone Industry Report" released on June 9, 2023 ("***1Lattice Report***") prepared by Praxian Global Private Limited ("**Praxian**"), appointed by our Company pursuant to an engagement letter dated October 6, 2022, and such 1Lattice Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. Further, Praxian pursuant to their consent letter dated June 9, 2023 ("**Letter**") has accorded its no objection and consent to use the 1Lattice Report in connection with the Offer. Praxian, pursuant to its Letter has also confirmed that it is an independent agency, and that it is not related to our Company, our Directors, our Promoters or our Key Managerial Personnel.

The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report.

In accordance with the SEBI ICDR Regulations, the section '***Basis for Offer Price***' on page 118, includes information relating to our peer group companies and industry averages. Such information has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which may include statements with respect to our business strategy, our revenue and profitability, our goals and other such matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***goal***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***projected***", "***should***" "***will***", "***will continue***", "***seek to***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our expected financial conditions, results of operations, strategies, objectives, prospects, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All forward-looking statements whether made by us or any third parties in this Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally 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, incidence of any natural calamities and/or acts of violence, changes in laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Failure to comply with the applicable regulations and rules prescribed by the Government of India and the relevant statutory or regulatory bodies would create an adverse impact on our business, financial condition, cash flows and results of operations;

- Failure to comply with the terms and conditions of the license under Industries (Development and Regulation) Act, 1951 could lead to the cancellation of our license and create a material adverse impact on our business, financial condition and results of operations;

- A decline in government budget, reduction in orders, termination of existing contracts, delay of existing contracts or any kind of adverse change in the Government of India policies for our sector would have a material adverse impact on our business, financial condition, and results of operations;

- Inability to accurately measure the cost and design and develop the trial product for bids may lead to loss of tender creating an adverse impact on our business, results of operations, financial condition and cash flows;

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

- If critical components or raw materials become scarce or unavailable, then we may incur delays in manufacturing and delivery of our products and in completing our development programs, which could damage our business;

- Any variations in schemes launched by Government of India to boost the drone industry would have an adverse impact on our results of operations and financial condition and cash flows;

- Inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands could render our existing products obsolete and may adversely affect our business;

- Our products are complex and technologically advanced and could have unknown defects or errors;

- We have a single manufacturing facility and any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations; and

- Our working capital cycle has been lengthy and if we continue experience lengthy working capital cycle in the future, it could have an adverse effect on our financial condition.

For a further discussion on factors that could cause our actual results to differ from our expectations, see '***Risk Factors***', '***Our Business***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' on pages 29, 188 and 333, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect our views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, Directors, the Selling Shareholders, and the BRLMs or 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. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders 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.

In accordance with regulatory requirements of SEBI and as prescribed under applicable law, our Company will ensure that investors in India are informed of material developments from the date of filing of this Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI, each of the Selling Shareholders will ensure that investors are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by it in this Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each of the Selling Shareholders to the extent of information pertaining to it and/or its respective portion of the Offered Shares, as the case may be, in this Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

*This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this 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 Red Herring Prospectus, including the sections titled '**Risk Factors**', '**The Offer**', '**Capital Structure**', '**Objects of the Offer**', '**Industry Overview**', '**Our Business**', '**Restated Consolidated Financial Information**', '**Outstanding Litigation and Material Developments**', '**Offer Procedure**' and '**Main Provisions of the Articles of Association**' beginning on at pages 29, 61, 76, 103, 132, 188, 251, 372, 404 and 426, respectively, of this Red Herring Prospectus.*

Summary of Business

We are the pioneer and the pre-eminent market leader in the Indian unmanned aircraft systems ("**UAS**") market, with a market share of approximately 50% in Fiscal 2022 (*Source*: *1Lattice Report*). Our product portfolio consists of (a) hardware, which primarily includes UAVs, payloads, batteries, chargers and communication system, (b) software and embedded sub-systems, which includes the GCS software and autopilot sub-system, and (c) solutions. We primarily cater to customers with applications for surveillance, mapping and surveying. We manufacture all our products in-house from our manufacturing facility located at Navi Mumbai, Maharashtra in India. For further information, see '***Our Business***' on page 188.

Summary of Industry

The global drone industry is estimated to be US$ 21.1 billion in 2022 (*Source: 1Lattice Report*). The industry has witnessed a significant growth at a CAGR of 19% over 2018-2022 and is expected to grow even faster at a CAGR of 20% to be approximately US$ 51.4 billion in 2027 and further leap to approximately US$ 91.3 billion by 2030 (*Source: 1Lattice Report*). As of 2022, the potential market size for the Indian drone industry was approximately US$ 2.71 billion (*Source: 1Lattice Report*). India aims to position itself as a global drone hub by 2030 (*Source: 1Lattice Report*).

The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report.

For further information, see '***Industry Overview***' on page 132.

Eligibility for the Offer

Our Company had an average operating profit of at least ₹ 150 million calculated on a restated and consolidated basis during the preceding three Fiscals, i.e. the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, however, did not have an operating profit in each of these preceding three Fiscals and accordingly, we do not satisfy the eligibility conditions specified in Regulation 6(1) of the SEBI ICDR Regulations. Therefore, our Company is required to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. For further details, see '***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***' on page 381.

Promoters

Our Promoters are Ankit Mehta, Rahul Singh and Ashish Bhat.

For further details, see '***Our Promoters and Promoter Group***' on page 245.

Offer Size

The following table summarizes the details of the Offer. For further details, see '***The Offer***' and '***Offer Structure***' on pages 61 and 400, respectively.

Offer	[●] Equity Shares, aggregating up to ₹ [●] million
of which	
Fresh Issue(1)	[●] Equity Shares, aggregating up to ₹ 2,400.00 million
Offer for Sale(2)	Up to 4,869,712 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
The Offer may include:	
Employee Reservation Portion(3)	Up to 13,112 Equity Shares aggregating up to ₹ [●] million

Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

(1) *Our Board has authorised the Offer, pursuant to their resolution dated February 3, 2023. Our Shareholders have authorised the Fresh Issue pursuant to their resolution dated February 4, 2023.*

(2) *The Equity Shares being offered by each of the Selling Shareholders have been held by it for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus with the SEBI and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see '**Other Regulatory and Statutory Disclosures**' beginning on page 380.*

(3) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹ 500,000 (net of Employee Discount), shall be added to the Net Offer. Our Company, Indusage and Celesta Capital, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see '**Offer Procedure**' and '**Offer Structure**' on pages 404 and 400, respectively.*

Note: Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.

The Offer and Net Offer shall constitute [●]% and [●]% respectively, of the post-Offer paid up equity share capital of our Company.

Objects of the Offer

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

Particulars	Amount^ (in ₹ million)
Repayment/prepayment of certain indebtedness availed by our Company	500.00
Funding working capital gap	1,350.00
Investment in product development	400.00
General corporate purposes[(1)]	[●]
Total Net Proceeds	**[●]**

^ Includes the proceeds, received pursuant to the Pre-IPO Placement. Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million, which has been reduced from the size of the Fresh Issue and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.

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

For further details, see '***Objects of the Offer***' on page 103.

Pre-Offer Shareholding of Promoters, Promoter Group and Selling Shareholders

Name of the shareholder	Pre-Offer	
	Number of Equity Shares (on a fully diluted basis)	**Percentage of pre-Offer Equity Share capital (on a fully diluted basis)**
Promoters		
Ankit Mehta	3,686,964	9.51
Ashish Bhat (also the Promoter Selling Shareholder)	3,547,070	9.14
Rahul Singh	3,583,230	9.24
Total (A)	**10,817,264**	**27.89**
Promoter Group		
Sujata Vemuri (also a Selling Shareholder)	1,061,748	2.74
Ravi Bhagavatula	1,061,522	2.74
Total (B)	**2,123,270**	**5.47**
Selling Shareholders		
A&E Investment LLC	452,000	1.17
Agarwal Trademart Private Limited	266,002	0.69
Amarpreet Singh	35,482	0.09
Celesta Capital II Mauritius	4,430,956	11.42
Celesta Capital II-B Mauritius	527,710	1.36
Export Import Bank of India	403,862	1.04
Indusage Technology Venture Fund I	2,302,488	5.94

Name of the shareholder	Pre-Offer	
	Number of Equity Shares (on a fully diluted basis)	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)
Nambirajan Seshadri	167,466	0.43
Naresh Malhotra	113,452	0.29
Society for Innovation and Entrepreneurship	99,666	0.26
Sundararajan K Pandalgudi	51,980	0.13
Qualcomm Asia Pacific Pte. Ltd.	1,407,528	3.63
Total (C)	**10,258,592**	**26.45**
Total (D=A+B+C)	**23,199,126**	**59.81**

For further details, see '***Capital Structure***' beginning on page 76.

Summary of Selected Financial Information derived from our Restated Consolidated Financial Information

(*₹ in million, unless otherwise specified*)

Particulars	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Equity Share capital	213.37	0.89	0.89
Revenue from operations	1,860.07	1,594.39	347.18
Profit/(Loss) for the year	319.88	440.06	(146.26)
Basic EPS (₹)	8.55	13.84	(5.03)
Diluted EPS (₹)	8.12	13.13	(5.03)
Net Worth(*)	3,247.21	1,633.03	597.48
Net Asset Value per Equity Share (₹)	86.81	51.36	20.57
Current borrowing (A)	865.04	56.76	127.93
Non-current borrowing (B)	-	-	377.81
Total borrowings (C=A + B)	865.04	**56.76**	**505.74**

** Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profit, 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.*

Notes:

1. *Basic EPS (₹) = net profit / (loss) after tax attributable to equity shareholders, as restated / weighted average number of Equity Shares during the year.*
2. *Diluted EPS (₹) = net profit / (loss) after tax attributable to equity shareholders, as restated / weighted average number of dilutive Equity Shares during the year.*
3. *Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period / year divided by the weighted average number of Equity Shares used in calculating basic earnings per share.*

For further details, see '***Restated Consolidated Financial Information***' on page 251.

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

There are no qualifications which have not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Subsidiary, our Promoters and our Directors, as disclosed in this Red Herring Prospectus as per the Materiality Policy, is provided below.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* *(in ₹ million)*
Company						
By our Company	Nil	5	Nil	NA	Nil	69.55

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* *(in ₹ million)*
Against our Company	1	Nil	1	NA	Nil	Nil
Directors						
By our Directors	Nil	Nil	Nil	NA	Nil	Nil
Against our Directors	1	1	Nil	NA	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	1	Nil	Nil	Nil	Nil	Nil
Subsidiary						
By our Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against our Subsidiary	Nil	Nil	Nil	NA	Nil	Nil

**Amount to the extent quantifiable.*

There are no group companies of our Company, as on the date of this Red Herring Prospectus. For further details of the outstanding litigation proceedings, see '***Outstanding Litigation and Material Developments***' beginning on page 372.

Risk Factors

Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. Please see '***Risk Factors***' beginning on page 29.

Summary of Contingent Liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37 as on March 31, 2023 as indicated in our Restated Consolidated Financial Information.

(in ₹ million)

S. No.	Particulars	As on March 31, 2023	Contingent liabilities as a percentage of net worth (%)
1.	Demands raised by income tax authorities	35.22	1.08
2.	Demands raised by indirect tax authorities	34.33	1.06
	Total	69.55	2.14

Note: Net Worth is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding foreign currency translation reserve.

For further details, please see '***Restated Consolidated Financial Information – Note 40 Commitments and Contingencies***', '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' and '***Outstanding Litigation and Material Developments***' beginning on pages 325, 333 and 372, respectively.

Summary of Related Party Transactions

The following is the summary of transactions with related parties as at and for Fiscals 2023, 2022 and 2021, as per the requirements under Ind AS 24.

(₹ in million)

Related parties with whom transactions have taken place	Nature of transaction	Fiscal 2023	Fiscal 2022	Fiscal 2021
Ankit Mehta	Salary, wages, and bonus	12.46	6.97	3.39
	Reimbursement of expenses	1.71	0.83	0.95

Related parties with whom transactions have taken place	Nature of transaction	Fiscal 2023	Fiscal 2022	Fiscal 2021
Ashish Bhat	Salary, wages, and bonus	12.46	6.96	3.51
	Reimbursement of expenses	0.55	2.24	8.81
Rahul Singh	Salary, wages, and bonus	12.46	6.92	3.39
	Reimbursement of expenses	0.24	0.08	0.44
Vipul Joshi	Salary, wages, and bonus	12.46	6.72	3.39
	Share based payments charged to P&L	95.77	-	-
	Reimbursement of expenses	0.81	3.26	12.84
Ganapathy Subramaniam	Interest expense on short-term borrowings	0.07	4.51	3.61
	Loan taken	0.00	97.00	70.00
	Loan repaid	53.50	43.50	70.00
	Issue of preference share capital	55.73	-	-
	Share based payments charged to profit and loss	74.03	16.64	0.00
Mathew Cyriac	Share based payments charged to profit and loss	65.79	-	-

Notes: All related party transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

For details of the related party transactions in accordance with Ind AS 24, see *'**Restated Consolidated Financial Information – Note 35 Related Party Transactions**'* on page 315.

Financing Arrangements

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

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

The details of price at which specified securities were acquired by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders with right to nominate directors or other rights, in the last three years preceding the date of this Red Herring Prospectus is as follows.

Name of shareholder/ acquirer	Nature of specified securities	Face value (in ₹)	Date of acquisition	Number of specified securities acquired	Acquisition price per specified securities (in ₹)*	Number of specified securities (on a fully diluted basis)	Acquisition price per specified securities (on a fully diluted basis) (in ₹)*
Promoters							
Ankit Mehta	Equity Shares	10	November 24, 2021	140	25,000	140	25,000
			December 16, 2022	3,670,650	Nil	3,670,650	Nil
Rahul Singh	Equity Shares	10	November 24, 2021	160	25,000	160	25,000
			December 16, 2022	3,567,375	Nil	3,567,375	Nil
Ashish Bhat (also the Promoter Selling Shareholder)	Equity Shares	10	December 16, 2022	3,531,375	Nil	3,531,375	Nil
Promoter Group							
Sujata Vemuri (also a Selling Shareholder)	Equity Shares	10	December 16, 2022	1,057,050	Nil	1,057,050	Nil
Ravi Bhagavatula	Equity Shares	10	December 6, 2022	4,697	Nil	4,697	Nil

Name of shareholder/ acquirer	Nature of specified securities	Face value (in ₹)	Date of acquisition	Number of specified securities acquired	Acquisition price per specified securities (in ₹)*	Number of specified securities (on a fully diluted basis)	Acquisition price per specified securities (on a fully diluted basis) (in ₹)*
			December 16, 2022	1,056,825	Nil	1,056,825	Nil
Selling Shareholders							
A&E Investment LLC	Equity Shares	10	December 16, 2022	450,000	Nil	450,000	Nil
Agarwal Trademart Private Limited	Equity Shares	10	December 16, 2022	264,825	Nil	264,825	Nil
Amarpreet Singh	Equity Shares	10	September 30, 2020	67	10	67	10
			July 9, 2021	90	10	90	10
			December 16, 2022	35,325	Nil	35,325	Nil
Export Import Bank of India(1)	Equity Shares	10	June 14, 2023	403,862	185.71	403,862	185.71
Indusage Technology Venture Fund I	Equity Shares	10	December 16, 2022	22,500	Nil	22,500	Nil
			June 14, 2023	2,050,950#(2)	80.73	2,050,950	80.73
			June 14, 2023	228,938(2)	185.63	228,938	185.63
Nambirajan Seshadri	Equity Shares	10	December 16, 2022	166,725	Nil	166,725	Nil
Naresh Malhotra	Equity Shares	10	January 5, 2021	502	Nil	502	Nil
			December 16, 2022	112,950	Nil	112,950	Nil
Society for Innovation and Entrepreneurship	Equity Shares	10	December 16, 2022	99,225	Nil	99,225	Nil
Sundararajan K Pandalgudi	Equity Shares	10	December 16, 2022	51,750	Nil	51,750	Nil
Qualcomm Asia Pacific Pte. Ltd.	Equity Shares	10	December 16, 2022	22,500	Nil	22,500	Nil
			June 14, 2023	1,220,852(3)	80.73	1,220,852	80.73
			June 14, 2023	164,076(3)	185.62	164,076	185.62
Shareholders with right to nominate directors or other rights							
Celesta Capital II Mauritius (also a Selling Shareholder)	Equity Shares	10	December 16, 2022	20,025	Nil	20,025	Nil
			June 14, 2023	3,688,998(4)	80.73	3,688,998	80.73
			June 14, 2023	721,844(4)	185.69	721,844	185.69
Celesta Capital	Equity	10	December	2,475	Nil	2,475	Nil

Name of shareholder/ acquirer	Nature of specified securities	Face value (in ₹)	Date of acquisition	Number of specified securities acquired	Acquisition price per specified securities (in ₹)*	Number of specified securities (on a fully diluted basis)	Acquisition price per specified securities (on a fully diluted basis) (in ₹)*
II-B Mauritius (also a Selling Shareholder)	Shares		16, 2022				
			June 14, 2023	439,118(5)	80.73	439,118	80.73
			June 14, 2023	86,106(5)	185.37	86,106	185.37
Florintree Enterprises LLP(6)	Equity Shares	10	June 14, 2023	4,041,784##	230.09	4,041,784	230.09

** As certified by Ramanand & Associates, Chartered Accountants, by way of their certificate dated June 19, 2023.*
 # This includes 1,014,288 Equity Shares issued pursuant to conversion of 4,488 Series A CCPS allotted on August 9, 2017 and 1,036,662 Equity Shares issued pursuant to conversion of 4,587 Series A CCPS allotted on November 28, 2017.
This includes 2,064,510 Equity Shares issued pursuant to conversion of 9,135 Series B1 CCPS allotted on July 15, 2022 and 1,977,274 Equity Shares issued pursuant to conversion of 8,749 Series B1 CCPS allotted on April 28, 2022.
(1) Export Import Bank of India was allotted 1,787 Series B CCPS on April 28, 2022 which has been converted into Equity Shares in the ratio of 1:226 (after adjusting for bonus issuance) aggregating total of 403,862 Equity Shares.
(2) Indusage Technology Venture Fund I was allotted 4,488 Series A CCPS on August 9, 2017, 4,587 Series A CCPS on November 28, 2017 and 1,013 Series B CCPS on April 28, 2022 which has been converted into Equity Shares in the ratio of 1:226 (after adjusting for bonus issuance) aggregating total of 2,279,888 Equity Shares.
(3) Qualcomm Asia Pacific Pte Ltd was allotted 5,402 Series A CCPS on November 28, 2017 and 726 Series B CCPS on April 28, 2022 which has been converted into Equity Shares in the ratio of 1:226 (after adjusting for bonus issuance) aggregating total of 1,384,928 Equity Shares.
(4) Celesta Capital II Mauritius was allotted 16,323 Series A CCPS on November 28, 2017 and 3,194 Series B CCPS on April 28, 2022 which has been converted into Equity Shares in the ratio of 1:226 (after adjusting for bonus issuance) aggregating total of 4,410,842 Equity Shares.
(5) Celesta Capital II-B Mauritius was allotted 1,943 Series A CCPS on November 28, 2017 and 381 Series B CCPS on April 28, 2022 which has been converted into Equity Shares in the ratio of 1:226 (after adjusting for bonus issuance) aggregating total of 525,224 Equity Shares.
(6) Florintree Enterprises LLP was allotted 9,135 Series B1 CCPS on July 15, 2022 and 8,749 Series B1 CCPS on April 28, 2022 which has been converted into Equity Shares in the ratio of 1:226 (after adjusting for bonus issuance) aggregating total of 4,041,784 Equity Shares.

Weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Red Herring Prospectus is as follows.

Name	Number of Equity Shares acquired in last one year	Weighted average price of Equity Shares acquired in the last one year# (in ₹)
Promoters		
Ankit Mehta	3,670,650	Nil*
Rahul Singh	3,567,375	Nil*
Ashish Bhat (also the Promoter Selling Shareholder)	3,531,375	Nil*
Individual Selling Shareholders		
Amarpreet Singh	35,325	Nil*
Nambirajan Seshadri	166,725	Nil*
Naresh Malhotra	112,950	Nil*
Sujata Vemuri	1,057,050	Nil*
Sundararajan K Pandalgudi	51,750	Nil*
Corporate Selling Shareholders		
A&E Investment LLC	450,000	Nil*
Agarwal Trademart Private Limited	264,825	Nil*
Celesta Capital II Mauritius	4,430,867	97.47
Celesta Capital II-B Mauritius	527,699	97.43
Export Import Bank of India	403,862	185.71
Indusage Technology Venture Fund I	2,302,388	90.38
Qualcomm Asia Pacific Pte. Ltd.	1,407,428	91.67
Society for Innovation and Entrepreneurship	99,225	Nil*

** Represents cost of bonus shares which are issued at nil consideration.*

As certified by Ramanand & Associates, Chartered Accountants, by way of their certificate dated June 19, 2023. Computed based on the Equity Shares acquired/allotted/purchased (including acquisition pursuant to transfer). However, the Equity Shares disposed off have not been considered while computing number of Equity Shares acquired.

Average Cost of Acquisition of Equity Shares for the Promoters and the Selling Shareholders

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

S. No.	Name	Number of Equity Shares held as on date of this Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
Promoters			
1.	Ankit Mehta	3,686,964	0.99
2.	Rahul Singh	3,583,230	1.16
3.	Ashish Bhat (also a Selling Shareholder)	3,547,070	0.04
Individual Selling Shareholders			
4.	Amarpreet Singh	35,482	0.04
5.	Nambirajan Seshadri	167,466	43.00
6.	Naresh Malhotra	113,452	Nil
7.	Sujata Vemuri	1,061,748	2.63
8.	Sundararajan K Pandalgudi	51,980	38.48
Corporate Selling Shareholders			
9.	A&E Investment LLC	452,000	43.81
10.	Agarwal Trademart Private Limited	266,002	75.22
11.	Celesta Capital II Mauritius	4,430,956	97.83
12.	Celesta Capital II-B Mauritius	527,710	97.81
13.	Export Import Bank of India	403,862	185.71
14.	Indusage Technology Venture Fund I	2,302,488	91.16
15.	Qualcomm Asia Pacific Pte. Ltd.	1,407,528	92.96
16.	Society for Innovation and Entrepreneurship	99,666	0.04

* *As certified by Ramanand & Associates, Chartered Accountants, by way of their certificate dated June 19, 2023.*

Weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years preceding the date of this Red Herring Prospectus

Period	Weighted average cost of acquisition (in ₹)#	Cap Price is 'x' times the weighted average cost of acquisition*	Range of acquisition price: lowest price – highest price (in ₹)
Last one year preceding the date of this Red Herring Prospectus	71.16	[●]	Nil-672.00
Last 18 months preceding the date of this Red Herring Prospectus	71.16	[●]	Nil-672.00
Last three years preceding the date of this Red Herring Prospectus	71.16	[●]	Nil-672.00

As certified by Ramanand & Associates, Chartered Accountants, by way of their certificate dated June 19, 2023.
* *To be updated upon finalization of the Price Band.*
# *Computed based on the Equity Shares acquired/allotted/purchased (including acquisition pursuant to transfer). However, the Equity Shares disposed off have not been considered while computing number of Equity Shares acquired.*

Details of Pre-IPO Placement

Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million. For details '***Capital Structure'*** beginning on page 76.

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

Other than issuance of Equity Shares pursuant to the exercise of stock option under ESOP 2018, and pursuant to bonus allotment made on December 16, 2022, our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Red Herring Prospectus. For details, see '***Capital Structure – Shares issued for consideration other than cash or by way of bonus issue***' beginning on page 84.

Split / Consolidation of Equity Shares in the last one year

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

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

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

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below may not be exhaustive or the only ones 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 that we currently do not deem material 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 not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Furthermore, some events may be material collectively rather than individually.

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with '**Industry Overview**', '**Our Business**', '**Key Regulations and Policies**', '**Management's Discussion and Analysis of Financial Condition and Results of Operations**' and '**Outstanding Litigation and Material Developments**' on pages 132, 188, 211, 333 and 372, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer, including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*Unless the context requires otherwise, all financial information included herein is derived from our Restated Consolidated Financial Information included in '**Financial Information**' beginning on page 251. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.*

*Unless stated otherwise, industry and market data used in this Red Herring Prospectus is derived from the report titled, "Drone Industry Report" released on June 9, 2023 ("**1Lattice Report**") prepared by Praxian Global Private Limited, appointed by our Company pursuant to an engagement letter dated October 6, 2022, and such 1Lattice Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Financial and Issue based (including objects of the Issue) Risk

1. Our revenue has increased in Fiscals 2022 and 2021 and the number of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in future.

Our revenue from operations has increased in Fiscals 2022 and 2021 due to an increase in the sale of UAVs pursuant to repeat as well as new contracts, for supply of large quantities of UAVs manufactured by the Company, and an increase in providing maintenance services to customers, under the annual maintenance contracts entered into with such entities. The table below shows our revenue from operations for Fiscals 2023, 2022 and 2021 and our percentages of growth against the respective Fiscals:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (₹ in million)	1,860.07	1,594.39	347.18
% of growth against each of previous Fiscals	16.66	359.24	148.00

We cannot assure that our Company will witness such growth in the revenue from operations in future. We prepare our order book on the basis of work being completed, outstanding work and the time expected to complete contracts forming part of the order book. Our order book may be materially impacted if the time taken or amount payable for completion of any ongoing order of our Company changes. The growth of our order book is a cumulative indication of the revenues that we expect to recognise in future periods with respect to our existing contracts. Our total order book amount for Fiscals 2023, 2022, and 2021 have been set out below:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Order Book (₹ in million)	1,922.72	3,108.75	1,363.96
% of order from government entities	96.32	98.28	94.19

We cannot guarantee that the income anticipated in our order book will be realised, or, if realised, will be realised on time or result in profits. Our existing order book and our growth rate may not be indicative of the number of orders we will receive or our growth in the future.

Our order book only represents business that is considered firm, although this is subject to, among other things, cancellation or early termination due to any breach of our contractual obligations, non-payment by our customers, delays in the initiation of our production of UAVs, unanticipated variations or adjustments in the scope and schedule of our obligations for reasons outside our and our customers' control or change in budget appropriations particularly affecting our GoI customers. Accordingly, we cannot predict with certainty the extent to which an order forming part of our order book will be performed. While none of our orders have been cancelled or terminated prematurely, there can be no assurance that orders will be cancelled or terminated prematurely in the future, and our Company will receive any applicable termination payments in time or at all or that the amount paid will be adequate to enable our Company to recover its investments in respect of the prematurely cancelled order. In such events, we may have to bear the actual costs for such production incurred by us which may exceed the agreed work as a result of which, our future earnings may be lower from the amount of the order book and if any of the forgoing risks materialize, our cash flow position, revenues and earnings may be adversely affected.

2. We have significant working capital gap. If we are unable to borrow or raise additional financing or furnish bank guarantees in future, it would adversely impact our business, cash flows and results of operations.

Our business requires significant working capital in connection with our manufacturing of products, financing inventory and purchase of critical components which may be adversely affected in case there is any change in terms of credit or payment. Delays in payment under our existing contracts or reduction of advance payments due to lower order intake or inventory and work in progress increases and/or accelerated payments to suppliers, could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded through external debt financings. Accordingly, we may require additional capital or financing from time to time to meet our working capital gap.

While we have historically been able to finance our working capital expenditure from internal accruals and availing loans from our Directors and external debt financing, this may not be the case once we are a publicly listed company. Our external borrowings as on April 30, 2023 was ₹ 1,290.67 million on a consolidated basis. While we have the capacity to take on financial leverage, our ability to obtain external financing is subject to a variety of uncertainties, including our financial condition, results of operations, cash flows and liquidity of the domestic and international capital and lending markets. In addition, our loan agreements may contain financial covenants that restrict our ability to incur additional indebtedness without our lenders' consent. Any indebtedness that we may incur in the future may also contain operating and financing covenants that could be restrictive. Further, financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. If we are required to raise equity financing, this could result in dilution to our Shareholders. While our Company has not availed any unsecured loans, in the event we do avail any unsecured loans in the future, there would always be a possibility where such loans could 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. Our Company is also required to furnish bank guarantees in the ordinary course of business in relation to the fulfilment of purchase orders, as and when required. Our Promoters have also provided personal guarantees to our lenders being HDFC Bank Limited, Axis Bank Limited, Union Bank of India and EXIM Bank. EXIM Bank is also one of the Selling Shareholders. In the event that any such bank guarantees or personal guarantees are invoked and if we or our Promoters are unable to meet such guarantee requirements, then legal proceedings may be initiated against us or our Promoters, or we may incur additional costs. While we have not defaulted in the payment of any of our borrowings including bank guarantees, we cannot assure you that we will not default in future. Any failure to raise additional funds on favourable terms or in a timely manner or at all could severely restrict our liquidity and have a material adverse effect on our business and results of operations. Further, continued increase in our working capital gap may have an adverse effect on our financial condition and results of operations.

3. The amount proposed to be utilised for investment in product development in Fiscals 2024 and 2025 is based on management estimates, and is higher than our investments in product development for the last three Fiscals.

We intend to utilise ₹ 400.00 million from the Net Proceeds towards investment in product development opportunities in Fiscals 2024 and 2025. For further details, see '***Objects of the Offer – Details of the Objects – 3. Investment in product development***' on page 111. The table below shows the expenses incurred on product under development for the Fiscals 2023, 2022 and 2021, respectively.

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses on product under development (₹ in million)	206.74	113.97	89.21

While our historical investments in product development is lower than the amount proposed to be utilised for product development from Net Proceeds, investment in product development is essential given the growth opportunities in the UAV industry. While we endeavour to increase our investments in product development and allocated a higher amount towards investment in product development, the amount of Net Proceeds to be actually used will be based on our management's estimates and has not been appraised by any bank or financial institution. 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. Also, see '***Risk Factors – 43. Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***' on page 49.

4. We have sustained negative cash flows from operating activities in the past and may experience earnings declines or operating losses or negative cash flows from operating activities in the future.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated.

(in ₹ million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash generated from/ (used in) operating activities	(532.30)	665.20	(308.13)
Net cash (used in)/ generated from investing activities	(1,489.08)	(307.62)	(68.03)
Net cash generated from/ (used in) financing activities	1,762.26	(106.01)	427.85

We have sustained negative cash flow used in operating activities for Fiscals 2021 and 2020 primarily due to losses, investments in growth development activities, higher debt and longer cashflow cycles. We have also sustained negative cash flow used in investing activities for Fiscals 2022 and 2021 due to purchase of plant and machinery, product development and investment in fixed deposits. Further, we have sustained negative cash flow used in financing activities for Fiscal 2022 due to interest paid towards interest costs on financial liabilities and working capital loans. There can be no assurances that cash flows will be positive in the future thereby creating an adverse impact on our ability to meet working capital expenditure, repay loans without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

5. We have incurred losses in Fiscal 2021. In the event we incur net loss in the future, our business and financial condition may be adversely affected.

We reported a loss for the year of ₹ 146.26 million in Fiscal 2021. Our losses in Fiscal 2021 were primarily on account stagnant revenue, industry impact of UAV regulations and COVID-19. Increases in our costs, expenses and investments may reduce our margins and materially adversely affect our business, financial condition and results of operations. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. Moreover, even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may be unable to sustain or increase profitability, and failure to do so would adversely affect our business, including our ability to raise additional funds.

6. We had a lengthy working capital cycle in the past. If we continue to experience lengthy working capital cycle in the future, it could have an adverse effect on our financial condition.

We had a lengthy working capital cycle in the past. Our net working capital cycle in days, inventory days, debtor days and creditor days for Fiscals 2023, 2022 and 2021, respectively are given below:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net working capital in days[(1)]	301	121	512
Inventory days	205	112	246
Debtor (i.e., trade receivables) days	113	46	250
Creditor (i.e., trade payables) days	27	17	50

[(1)] Net working capital days is calculated as inventories plus trade receivables and other current assets minus the trade payables, other financials liabilities, other current liabilities, current provisions and current tax liabilities(net), divided by revenue from operations multiplied by 365 days.

There are various factors affecting our working capital cycle, such as inventory holding days, customer payment terms and payment cycles of customers, advance to creditors and shorter credit cycles with creditors. The net working capital holding days have varied and historically been at 301, 121 and 512 for Fiscals 2023, 2022 and 2021, respectively. The business operations during Fiscal 2021 were impacted due to the Covid-19 pandemic which led to an increase in the working capital holding days, debtor days and inventory days. Further, at the end of Fiscal 2023, we had manufactured and kept ready for dispatch a large part of a material order, which also resulted in high inventory level and thus resulted in high working capital days. Further, as we scale our revenues, our net working capital days may also be affected on account of advances to vendors and balances with government authorities. Therefore, we cannot assure you that we will be able to improve our working capital cycle in future, which could have an adverse effect on our financial condition.

Operational Risk

7. We are highly dependent on global vendors for the supply of components and may not be able to reduce our dependency on such imports. If critical components or raw materials become scarce or unavailable, then we may incur delays in manufacturing and delivery of our products and in completing our development programs, which could damage our business. Moreover, the supply and cost of components can be subject to significant variation due to factors beyond our control.

We partially import certain of our components such as carbon fibre tubes, landing gear, propellors, motors and antennas required for manufacturing UAVs. The table below indicates the expenses on imports incurred in Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses on imports	477.11	264.48	152.93

Though we are continuously evaluating the potential of domestic vendors for the supply of components in order to reduce our dependency on import of components from global vendors, we cannot assure you that we would be able to meet our requirements only from domestic vendors and not be dependent on global vendors. While the GoI has introduced recent initiatives such as "*Atmanirbhar Bharat Abhiyan*", which focuses on indigenisation, we cannot assure you that we would be able to take full benefit of such schemes and reduce our dependency on imports. Further, DGFT has recently modified the Indian Trade Classification (Harmonised System) 2022 Schedule-1 (Import Policy) and banned the import of UAVs to provide an impetus to the indigenous manufacturing of UAVs. However, we cannot assure you that GoI would continue to introduce such policies to boost the indigenous manufacturing of UAVs in India.

We are dependent on certain core suppliers for our components and thus if we experience significant increased demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. Further, component supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, economic and political conditions, transportation and labour costs, disruption during transportation, labour unrest, natural disasters, import duties, tariffs and currency exchange rates. This volatility in commodity prices can significantly affect our component costs. Further, any volatility in fuel prices can also affect commodity prices worldwide, which in turn may significantly increase our component costs.

8. We design, develop, engineer and manufacture Unmanned Aerial Vehicles that engages advanced technologies. Our operations are dependent on continuous product development and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands could render our existing products obsolete and may adversely affect our business.

We design, develop, engineer and manufacture our UAVs in-house with a focus on performance, reliability and autonomy. Our focus on product development has been instrumental in the growth of our business and has caused us to continually improve our ability to build products for our customers. We constantly engage in product development to develop new products to meet our customer demands, identify evolving industry trends, technological advancements and customer preferences. However, continuing technological changes in the market for our products could make our products and services less competitive or even obsolete. Our future success will depend upon our ability to develop and introduce a variety of new capabilities and enhancements to our existing product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which we offer our products. Delays in introducing new products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive prices may cause existing and potential customers to purchase our competitors' products. Though our proprietary products are strongly aligned with requirements of our customers, there can be no assurance that we will be able to secure the necessary knowledge through our own in-house product development that will allow us to continue to develop our product portfolio to respond to the requirements of our customers and industry trends.

Our product development centre is located at Navi Mumbai, Maharashtra and we have 116 employees in the product development team, as of May 31, 2023. While we continue to focus on developing our products further, we cannot assure you that our in-house product development efforts will result in new products being developed on a timely basis or meet the demands of our customers as effectively as competitive offerings. We constantly endeavour to innovate enterprise specific solutions by introducing new products and solutions for our customers. For instance, our RYNO UAV provides mapping solutions and, Q4i, NETRA V4+ and SWITCH UAVs, provide surveillance and disaster relief solutions to our customers for different operating environments and applications.

The development of both UAV software and hardware is a costly, complex and time-consuming process, and investments in product development often involve a long wait until a return, if any, can be achieved on such investment. The table below shows the expenses incurred on our product under development as a percentage of our total revenue from operations for Fiscals 2023, 2022 and 2021, respectively :

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses incurred on our product under development (₹ in million)	206.74	113.97	89.21
As % of our total revenue from operations	11.11	7.15	25.70

Our ongoing investments in product development for new products may also result in higher costs without a proportionate increase in revenues. Further, we may not be able to develop new products that aligns with the requirements of our customers. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage of its development will result in our inability to timely offer products that satisfy the market, which might allow competing products to emerge during the development and certification process and could adversely affect our business. Consequently, any failure on our part to successfully introduce new products and upgrades may have an adverse effect on our business, results of operations and financial condition. In addition, we may not be successful in anticipating or reacting to changes in the regulatory environments in which our products are sold, and the markets for our products may not develop or grow as we anticipate. We are also subject to the risks generally associated with new technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly.

9. Our products are complex and technologically advanced and could have unknown defects or errors.

Our UAVs have a fully integrated system relying on complex avionics and electromechanical designs and advance programming. The software architecture of such advanced programming is based on complex and interdependent applications including unencrypted signal mechanisms. For instance, our ground control station ("**GCS**") software enables our UAVs to achieve higher safety and lower on field effort for the pilot such as take-off area suitability check, coverage area check and target location coverage check for off-site mission planning prior to deployment. Further, our AI based image intelligence features which are equipped in our UAVs help in '*people detection'* and '*target tracking'* and certain UAVs also have '*motion detection*' feature that helps in surveillance. However, any error on the part of AI technology or applications would not only lead to the breach of regulatory compliances but may also lead to accidents and injury of other aerial or ground objects, including living beings. Recently, a first information report has been lodged against our Company and Ankit Mehta, Promoter, Whole-Time Director and CEO of our Company in relation to an explosion of the battery of one of our UAVs. It is alleged that the battery of one of our UAVs exploded injuring four persons at a client's site. For details see – '***Outstanding Litigation and Material Developments – Litigation filed against our Company***' on page 372. While the matter is under investigation, we cannot assure you that the battery of our UAVs would not explode in future due to reasons such as handling and maintenance issues, storage issues or any other reasons including external factors which are beyond our control, resulting in the injury of aerial or ground objects, including living beings.

Similarly, our 'BlueFire Live!' platform, which enables encrypted live streaming of the UAV video feed and payload control from anywhere in the world is also based on integration of technologies. Further, any unknown error in technology could deter the clarity of video and display blurred or incorrect images which could impact the mapping and surveillance applications of the UAVs. The success of our UAVs is dependent on the level of data accuracy provided by them and any kind of unknown error in the technology might lead to incorrect mapping in terms of measurements thereby causing an adverse impact on our business. While there have been no instances in the past where such unknown errors were reported or detected, we cannot assure that errors of any kind would not be detected or reported in the future. Our designed batteries are optimised to give high endurance for each flight. However, any kind of defect in our batteries might cause inefficiency in the performance of our UAVs or become a fire hazard. Further any malfunction of our propellers, communication system, global positioning system loss, return home failures could also lead to collision of our UAVs. We also provide after sales maintenance services. While there have been no instances in the past where we were not able to rectify the defects or malfunction and our customers had to return our product, our inability to rectify such defects or malfunction in our UAVs to the satisfaction of our customers in the future could lead to liability claims against us, damage our customer relationships and cause harm to our reputation and earn us a negative publicity, any of which could adversely affect our business, results of operations and financial condition.

10. Most of our customer agreements generally contains a liquidated damage clause for delay or non-delivery of the Unmanned Aerial Vehicle. Any contractual default on our part may result in claims and payment of liquidated damages, which could adversely affect our business, financial condition and cash flows.

We are responsible for the quality and performance of our UAVs and are also required to complete the manufacturing of our product within a stipulated schedule. Any failure to adhere to a contractually agreed schedule for reasons other than the agreed force majeure events could result in payment of liquidated damages. For instance, certain of our contracts require us to pay damages in the event of delayed or undelivered services. The table below shows the provisions of liquidated damages for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Provisions for liquidated damages (₹ in million)	29.47	27.90	1.98

While we have not defaulted on any of our contracts in the past, we cannot guarantee that in future we would not default any of the existing terms of the contract resulting in the payment of liquidated damages. In extreme cases, non-performance or other deficiencies on our part could result in a customer terminating our contract due to default. While there have been no instances in the past where our contracts were terminated on account of default, we cannot guarantee that our contracts will not be terminated on grounds of default. A termination for default could expose us to liability, including liability for the costs of re-procurement, could damage our reputation and could hurt our ability to compete for future contracts. Further, our Company is also required to furnish bank guarantees in the ordinary course of business in relation to the fulfilment of purchase orders, as and when required. The table below shows the outstanding bank guarantees for Fiscals 2023, 2022 and 2021, respectively, and as a percentage of the total equity of our Company for the respective Fiscals:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Outstanding bank guarantees (₹ in million)	556.89	685.22	226.37

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
As a % of the total equity	17.15	41.96	37.89

In the event that any such bank guarantees are invoked and if we are unable to meet our guarantee requirements, then legal proceedings may be initiated against us, or we may incur additional costs. While we have not defaulted in the payment of bank guarantees, we cannot assure you that we will not default in future.

The existence, or even threat, of a major liability claim could damage the reputation of our Company and affect consumers' views of our products. Any damage to our reputation or brand image may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

11. Our business is dependent on our single manufacturing facility, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations.

We have a single manufacturing facility situated in Navi Mumbai, Maharashtra which is equipped with advanced equipment, modern technology and automated systems. However, our manufacturing facility is subject to various operating risks, including the breakdown or failure of equipment and performance below expected levels of output or efficiency. Any significant malfunction or breakdown of our equipment, our automation systems, or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair our manufacturing assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate manufacturing assets to replace them. The table below indicates the percentages of our total manufacturing operating expenses contributing to our total income from operations for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
% of our total manufacturing operating expenses contributing to our total income from operations	31.79	25.96	52.84

Our total manufacturing operating expenses comprises depreciation on plant and machinery, repair and maintenance expenses, power and manpower. Further, outbreak of any pandemic or any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the national or state governments, could adversely affect our operations and may result in the shutdown of our manufacturing facility. The nationwide lockdown in India during March and April 2020 resulted in the full closure of our manufacturing facility for four weeks during Fiscal 2021, resulting in no production for that period. While there has been no material impact of such closure on our operations, we cannot guarantee that any such similar closure in the future would not have an adverse impact on our operations. Any inability to utilise our manufacturing facility, to its full or optimal capacity, non-utilisation of such capacity may adversely affect our results of operations and financial condition.

Regulatory Risk

12. We operate in an industry which is highly regulated and is subject to change. If we fail to comply with the applicable regulations and rules prescribed by the Government of India and the relevant statutory or regulatory bodies, our business, financial condition, cash flows and results of operations will be adversely affected.

We operate in an industry which is highly regulated and our operations, including manufacturing and sales, are subject to stringent laws and regulations. Under the current regulatory regime, in order to operate an Unmanned Aerial Vehicle ("**UAV**"), a type certification is required to be obtained from the Directorate General of Civil Aviation ("**DGCA**"). DGCA had signed a memorandum of understanding to establish a mechanism for cooperation with the Quality Council of India to develop and operate a certification scheme for UAVs and this certification scheme was subsequently notified on January 26, 2022. In order to receive such certification, our UAVs are required to meet certain criteria of airworthiness for flying. Once our UAVs successfully pass the evaluation criteria, DGCA issues a type certificate post which our civil customers who are our customers other than Indian defence customers, are able to operate them. These certifications generally take around three months for approval. The process of approval is rigorous, time consuming and involves iterations before one application is finally approved. There are also possibilities where we might have to abandon certain airframes and system configurations of our UAVs due to their un-suitability for approval. Though there have been no instances in the past where we had to abandon any airframes or system configurations, we cannot assure you that in the future we will not abandon any airframes or system configurations. We also cannot assure you that DGCA in the future would not amend the existing requirement of type certifications or enact any new scheme having higher quality thresholds for such type certifications. If we fail to receive such type certifications or if the certifications are delayed, then it would have an adverse impact on our business, financial condition and result of operations. If we fail to comply with the applicable regulations, we may be subject to penalties, incur increased costs, have our approvals and permits revoked or suffer a disruption in our operations.

Additionally, in order to sell our UAVs in foreign jurisdictions, we are required to obtain export authorisations from the Directorate General of Foreign Trade ("**DGFT**") as UAVs fall under the list of Special Chemicals, Organisms, Materials, Equipment, and Technologies ("**SCOMET**"). The export of SCOMET, including UAVs are permitted only if authorised by DGFT. While there have been no instances in the past where DGFT had rejected our applications seeking approvals for exports, we cannot assure you that in future we would always receive export authorisation to sell our UAVs in other foreign jurisdictions which may impact our business, financial condition, cash flows and results of operations.

Recently, we received a show cause notice from DGCA alleging certain non-compliance under the Drones Rules, 2021. While we have submitted our reply to DGCA and the matter is currently pending, any adverse outcome may impact our business, financial condition, cash flows and results of operations. For details, see '***Outstanding Litigation and Material Developments – Litigation filed against our Company***' on page 372. Further, we cannot assure you that we will not receive such notices in future.

13. We are a licensed manufacturer of Unmanned Aerial Vehicles under the Industries (Development and Regulation) Act, 1951 and any non-compliance of, or a failure to satisfy the terms and conditions under such license could lead to the cancellation of our license thereby creating a material adverse impact on our business, financial condition and results of operations.

In order to manufacture our UAVs, we are required to obtain an industrial licence under the Industries (Development and Regulation) Act, 1951 ("**IDR Act**") and comply with the conditions stipulated therein. One of the conditions stipulated under the industrial license mandates that we intimate the Department for Promotion of Industry and Internal Trade ("**DPIIT**") and Department of Defence Production, Ministry of Defence in case of any change in the management control, ownership pattern, Board of Directors and foreign holding/ foreign directors. Further, we are required to obtain clearance from the Ministry of Home Affairs in case there are any addition of foreign partners in our Company. Accordingly, in the past, we have sought requisite approvals and made intimations to DPIIT for our prior foreign investments. While we intend to continue to comply with all the conditions of the license, any non-compliance by us of the conditions of the license in the future may lead to the cancellation of our license thereby creating an adverse impact on our financial condition and results of operations.

14. Our business is benefitted by schemes launched by Government of India to boost the drone Industry. Any variation in such schemes would have an adverse impact on our results of operations and financial condition and cash flows.

In 2021, the GoI with the objective of providing an impetus to the UAV industry in India has launched PLI scheme for drones and drone components in India. Further, for effective operation and smooth implementation of such scheme, the Ministry of Civil Aviation has formulated and recently notified the operational guidelines. The objective of this scheme is to incentivise manufacturing of drones and drone components in India in order to make the manufacturing sector self-sustaining and globally competitive. Further, the GoI in order to provide an impetus to the indigenous manufacturing of drones in India have recently imposed a ban on the import of UAVs. We were shortlisted as one of the beneficiaries of the Government of India's PLI scheme for drone manufacturing and we received an incentive of ₹ 174.20 million from the Ministry of Civil Aviation, under the PLI Scheme for Drones and Drone Components introduced by the Government of India. We cannot assure that GoI will continue to launch and implement such schemes in future to support our business and operations or we would continue to receive such disbursements in the future. Any variation in the current PLI scheme or any policy of the GoI will have an adverse impact on our business, results of operations, financial condition and cash flows.

15. There have been certain instances of regulatory non-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected.

There have been certain instances of regulatory non-compliances and delays in the past by our Company. For example, there were inadvertent delays in the filing of five Forms MGT-14 that were required to be filed in Fiscals 2015, 2016, 2017 and 2018. Consequently, we filed Form CG-1 with the Ministry of Corporate Affairs in 2021 for condonation of such delays, pursuant to which such delays were condoned by them. Further, there were delays in the filing of Forms MGT-7 for Fiscal 2020 and Fiscal 2015, Forms AOC-4 for Fiscals 2015 and 2018, Form 20B for Fiscal 2014, Form 23AC for Fiscal 2014, for which additional fees were levied on us. Further, there were also delays in filing Forms FC-GPR with respect to the issuance of compulsorily convertible debentures in Fiscal 2021 and bonus issuance in Fiscal 2022 for which we were required to pay late submission fees.

For the allotment dated April 28, 2022, while the CCDs were converted into Series B CCPS at different prices, in the Form PAS-3 filed by our Company with the RoC, the conversion price was mentioned as an average conversion price instead of the actual conversion price at which Series B CCPS were issued to different CCD holders even though the total number of Series B CCPS issued was mentioned correctly. Further, there was a delay in filing of the Form MGT-14 with respect to the resolution of the Board approving the conversion price of the CCDs to Series B CCPS, for which we had to pay an additional fee. We cannot assure you that, in the future, we will not be subject to any liability on account of such non-compliances or that no action would be taken by the RoC or any other regulatory or statutory body in future in relation to this error. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

16. We are subject to various laws and regulations, including environmental and health and safety laws and regulations. If we fail to obtain, maintain or renew the licenses, permits and approvals required to operate our business, or fail to comply with applicable laws, our business, results of operations and financial condition may be adversely affected.

We operate in a highly regulated industry and our operations are subject to extensive laws and regulations. Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. While we currently do not have any applications pending, certain of our approvals are subject to expiry and once they expire, we cannot guarantee that we will receive the renewed approvals in a timely manner or at all. We cannot give any assurance that we will receive the renewed certificate in a timely manner. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. See '***Government and Other Approvals – Material approvals obtained by our Company'*** on page 377 for further details. Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, the approvals, licenses, registrations and permits issued to us may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility. While there have been no instances in the past where any approvals, licenses, registrations and permits issued to us were suspended or revoked, we cannot assure you that the relevant authorities would not suspend or revoke any of our approvals, licenses, registrations and permits. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be materially and adversely affected.

Industry and Business Risk

17. We are heavily reliant on sales to the Indian government including to the central and state government agencies. A decline in government budget, reduction in orders, termination of existing contracts, delay of existing contracts or any kind of adverse change in the Government of India policies for our sector would have a material adverse impact on our business, financial condition, and results of operations.

We are a licensed manufacturer of UAVs, under the IDR Act. Our UAVs are suitably designed for surveillance which are suitable for the tasks and operations undertaken by the Government of India ("**GoI**") entities including both central and state government agencies such as Indian defence customers certain of the Central Armed Police Forces, state police departments, disaster management forces and forest departments and are equipped with intelligent features, which help in '*people detection*' and '*target tracking*'. Certain of our UAVs also have the feature of '*motion detection*' that helps in surveillance. We have entered into contracts with GoI entities for supplying UAVs and consequently our business is highly dependent on such contracts. While we operate globally, our revenue from overseas operations was negligible as of March 31, 2023 and we derive a majority portion of our total sales from contracts with GoI entities and we believe that the success and growth of our business for the foreseeable future will continue to depend on our ability to win government contracts. The table below shows our revenue from sales to GoI entities as a percentage of our total revenue from operations for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from sales to GoI entities (₹ in million)	1,299.29	1,419.15	265.43
As % of our total revenue from operations	69.85	89.01	76.45

However, many of our government customers are subject to budgetary constraints and our continued performance under the contracts, or award of additional contracts from these government agencies, could be jeopardized by budget restrictions of the state or central governments. A significant decline in government expenditures generally could adversely affect our business and products. Our operating results may also be negatively impacted by other developments that affect these government programs generally, including the following:

- changes in government programs that are related to our products and services;
- changes in various economic policies including in relation to shifts in domestic spending and tax policy, and general economic conditions and developments;
- adoption of new laws or regulations relating to government contracting or changes to existing laws or regulations;
- changes in political or public support for security and defence programs;
- uncertainties associated with the war on terror and other geo-political matters;
- decline or reprioritisation of India's defence budget; and
- delays in the payment of our invoices by government payment offices.

These developments and other factors could cause GoI entities to reduce their purchases under existing contracts, to exercise their rights to terminate contracts at their will or to abstain from renewing contracts, or any of which would cause our revenue to decline and could otherwise harm our business, financial condition, and results of operations.

18. Majority of the sale of our products are dependent on us winning bids. Bidding for a tender involves various management activities such as cost estimations and designing and developing a trial product for the bidding process. Inability to accurately measure the cost and design and develop the trial product may lead to loss of tender creating an adverse impact on our business, results of operations, financial condition and cash flows.

Our business and growth depend on our ability to qualify for and win bids undertaken by the GoI entities for awarding contracts. The GoI awards contracts on a competitive basis which have the potential to create pricing pressure which in turn exerts pressure on our margins. We obtain a majority of our business through a competitive bidding process in which we compete for contracts awards based on, *among other things*, pricing, product trials, reputation for quality, financing capabilities and track record. Further, the manufacturing of our UAVs is complex and also requires various components, some of which are imported. If we fail to accurately estimate our product cost or if we are unable to design, import or develop the products as per the required specifications, we may lose contracts or may be barred by the authorities to participate in the future bids. While there have been no instances in the past where we had been barred by any authority to participate in the bids, there can be no assurance that in the future we would not be barred by any authority to participate in bids. Our ability to win a successful bid also depends on offering our products at a lower price that could adversely affect our profit margin. Reduced profit margin could have an adverse impact on our financial condition and cash flows. Further, the bidding and selection process is affected by a number of factors, including factors which may be beyond our control, such as market conditions and external economic or political factors. In the past we have lost certain bids on account of competitors offering lower price. We cannot assure you that we would not lose any bids in future as well. Further, any increase in competition during the bidding process or reduction in our competitive capabilities could have a material adverse effect on our market share. There can be no assurance that our current or potential competitors will not offer products and solutions comparable or superior to those that we offer at the same or lower prices, adapt more quickly to industry challenges, or expand their operations at a faster pace than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing an adverse effect on our operations, prospects and financial condition.

19. If the drone industry does not experience significant growth, or if our products lack multiple use applications, then we will not be able to achieve our anticipated level of growth.

The drone industry is at a nascent stage and therefore the requirements are continuously evolving (*Source: 1Lattice Report*). As of 2022, the potential market size for Indian drone industry was approximately US$ 2.71 billion (*Source: 1Lattice Report*). The table below shows our revenue from operations for Fiscals 2023, 2022 and 2021, respectively and our percentages of growth against the respective Fiscals:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (₹ in million)	1,860.07	1,594.39	347.18
% of growth against each of previous Fiscals	16.66	359.24	148.00

However, we cannot assure you that we will experience similar growth in the future. Further, we have a diversified product portfolio of UAVs built for multiple use cases. Each of our UAVs are designed with certain differentiations to address varying customer needs. Our UAVs have been designed to be able to handle various terrains and extreme temperature conditions. However, we operate in an industry that is constantly evolving and customer preferences are changing rapidly and therefore we cannot accurately predict the extent to which the demand for our products will increase. Therefore, we cannot assure you that expanding our products portfolio by designing, developing and/or manufacturing new products will enable us to establish new customer bases and cater to new end-use industries.

Other Risk

20. Hacking of our software and solution or any other kind of cyber-attack could have a material adverse effect on our business, results of operation or financial condition.

Our website, internal software systems, third party cloud (which we use for processing or storing data) and our UAVs are vulnerable to hacking, data theft, malicious intrusion, and viruses. Our products are deployed in high security surveillance activities involving sensitive and confidential data. However, our UAVs can be hacked by intercepting signals between UAVs and the persons controlling it. The critical targets in our system vulnerable to cyber-attacks or security breach are our UAV, GCS software, and integrating applications. Consequently, such hacking of our UAVs would result in the leakage of sensitive and confidential data which could have an adverse impact on internal and external security of the jurisdictions that our customers are based in. While we have taken measures such as encrypting the data feed to prevent our UAVs from being hacked or exposed to cyber threats, implemented several security mechanisms and control measures to ensure internal and external cyber security, encrypted communication link between our UAV and GCS software, we cannot assure you that our UAVs would not be vulnerable to hacking and cyber-attacks in future. Cyber-attacks or other breaches of technology platforms or IT security may cause equipment failures or disrupt our systems and operations. We may be subject to attempts of breach of the security of our technology platforms and IT infrastructure through cyber-attack, malware, computer viruses and other means of unauthorized access. The potential liabilities associated with these events could exceed the insurance coverage we maintain. Our inability to operate our facilities as a result of such events, even for a limited period of time, may result in significant expenses or loss of market share to other competitors. While there have been no instances in the past where we were exposed to any cyber-attacks and while we believe that our threat detection and mitigation processes and procedures are adequate, we cannot assure you that we will not encounter disruptions due to cyber-attacks in the future creating a material impact on our operations and financial results. If we are unable to protect sensitive information, our customers could question the adequacy of our threat mitigation and detection processes and procedures. In addition, a failure to protect the privacy of customer and employee confidential data against breaches of technology platforms or IT security could result in damage to our reputation. The impact of any future incident cannot be predicted. Although we seek to minimise the impact of cyber threats, we cannot assure you that we will not encounter any kind of cyber threats. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our research, design and development efforts or other intellectual property, our business, results of operation or financial condition.

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

Our success depends in part on our ability to meet the production schedules and requirements of our customers according to their detailed specifications within demanding delivery time frames. Our ability to meet specific customer demands depends on our ability to design, engineer a prototype, arrange supply of critical components and commence production of our products within short timeframes. The table below shows the number of products we were unable to deliver within scheduled timelines for Fiscals 2023, 2022 and 2021, respectively on account of delay in the supply of materials and administrative reasons:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of products	40	50	4

Payment of liquidated damages on account of delay in supply is a standard clause forming part of most of our contracts. While we have not defaulted on any of our contracts in the past, we cannot guarantee that in future we would not default any of the existing terms of the contract resulting in the payment of liquidated damages and hence, we keep provisions for liquidated damages. The table below shows the provisions of liquidated damages for Fiscals 2023, 2022 and 2021, respectively:

Particulars	In Fiscal 2023	In Fiscal 2022	In Fiscal 2021
Provisions for liquidated damages (₹ in million)	29.47	27.90	1.98

We cannot guarantee that in future we would not default any of the existing terms of the contract resulting in the payment of liquidated damages. While there have been no instances in past where our contracts were terminated on account of delay in supply, there can be no guarantee that our customers would not terminate contracts on account of delay in supply along with payment of liquidated damages. We are also required to discontinue production of obsolete products and re-configure the relevant production lines to manufacture new products. This requires us to maintain and enhance our production capabilities by adjusting and streamlining our production resources and processes, and acquiring, expanding and upgrading our testing equipment and production facilities. We may in the future incur additional costs and delays in our business, including as a result of higher prices, schedule delays or the need to identify and develop alternative suppliers, and we may need to provide additional resources to support our suppliers or otherwise continue performance under our contracts. We may not be able to maintain and enhance our production capabilities in time or implement our production plans effectively. Our production operations may also suffer from unanticipated interruptions such as the COVID-19 pandemic, which would cause delays to our production schedule and prevent us from fulfilling customer orders on time. If we are unable to maintain or enhance our production capabilities to satisfy customer demand, or our production operations suffer unanticipated or prolonged interruption, our business and results of operations would be adversely affected.

22. Our entry into 'drone as a service' market may not be successful, and it might adversely impact our financial condition.

'Drone as a service' ("**DraaS**") is a ready-to-fly network of drones which allows users to schedule or request on-demand flights, without the hassle of owning hardware, software or trained manpower *(Source: 1Lattice Report)*. The table below shows our expenses towards the development of DraaS for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses towards the development of DraaS (₹ in million)	19.68	8.33	5.06

While we have the requisite hardware and software capabilities, we cannot assure you that we will be able to successfully enter into DraaS market or if our products will be successful. DraaS is still at a development stage, and we have not started with any marketing activities and accordingly there can be no assurance that we will be successful in our marketing of DraaS. In the event we are not successful in entering the DraaS market despite making substantial investments, our financial conditions would be adversely affected. While in the 2022 budget, a need to introduce the DraaS model in India was highlighted, especially in relation to the agriculture sector, thereby creating more growth impetus to this sector, we cannot predict whether such announcements will fructify and whether we will be able to benefit from such announcements.

Further, under the current regulatory regime, the operator of a UAV is required to obtain certain certifications and adhere to guidelines issued by the DGCA. The operators are required to obtain a remote pilot certification for flying UAVs, and they also need to register the UAVs to obtain a unique identification number. Further there are restrictions of operations into particular zones and before every operation of a UAV, requisite permissions are mandatory. We cannot assure you that we would be successful in obtaining such remote pilot certification and unique identification number and comply with the regulatory requirements thereby causing delay and hindrance to our operations and causing an adverse impact on our results of operations and financial condition. Further, such operational restrictions would deter to the successful penetration of our products and services into the market.

23. Our expansion into international market may not be successful.

Currently, we sell our products in foreign jurisdictions such as United States and Oman only through re-sellers and accordingly the onus to comply with the foreign regulations lies with our re-sellers. We have also participated and showcased our UAVs in conferences such as Commercial UAV expo in Fiscal 2022 in Las Vegas and Xponential in Fiscal 2023 in Denver. However, we cannot guarantee that we would always sell our products in foreign jurisdictions through such resellers. While we are evaluating our expansion into overseas markets, such as in Australia, Middle East and Africa and other geographies, the sale of UAVs in foreign jurisdictions are highly regulated and we are required to obtain export authorisation from the DGFT before making any sales in foreign jurisdiction. While there have been no instances in the past where DGFT has denied any of our applications there can be no assurance that we would continue to get such authorisation from DGFT in future. Further, any change in law, regulations and policies in foreign jurisdictions where we are currently selling our products or plan to sell our products may shift the onus to comply with foreign regulations from our resellers to our Company. In addition, the costs associated with entering and establishing ourselves in new markets, and expanding our operations and sales, may be higher than expected, and we may face significant competition in these regions. Further, foraying into the international markets would be subject to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally. Further, entry into new international markets requires considerable time of the management of our Company, start-up expenses, expenditure on capital improvements and modification of our existing operations before any significant revenue is generated. Therefore, we may not be able to expand our export business, which could have a material adverse effect on our business, financial condition and results of operations. Further, we cannot assure you that we would receive export authorisation to sell our UAVs in other foreign jurisdictions. The actions taken by various governments to contain the COVID-19 pandemic such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Our expansion into foreign jurisdictions could also be affected due to any such future global lockdown due to outbreak of another pandemic like COVID-19.

24. Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.

We are the pioneer and the pre-eminent market leader in the Indian unmanned aircraft systems ("**UAS**") industry, with a market share of approximately 50% as of Fiscal 2022 (*Source: 1Lattice Report*). We had the largest operational deployment of indigenous UAVs across India, with an ideaForge manufactured drone taking off every five minutes on an average for surveillance and mapping as of March 31, 2023 (*Source: 1lattice Report*). We face competition from companies such as Asteria Aerospace Private Limited, DCM Shriram Limited, Adani Defence and Aerospace (Adani Enterprises Limited), as well as other international companies such as Lockheed Martin Corporation and Autel Robotics Corp. Limited, which either operate in the same line of business as us and offer similar products (*Source: 1Lattice Report*).

While there are significant barriers to entry to the UAV manufacturing industry such as complex software architecture, stringent regulatory regime, and expectation from customers for product innovation and high-quality standards and stringent specifications, the competitors may win market share from us by providing lower cost solutions to our customers or by offering technologically advanced UAVs. In the past we have lost certain bids on account of our competitors offering lower price. We cannot assure you that we would not lose any bids in future as well. Our success depends on our ability to develop and deliver advanced products, software and solutions, utilizing our proprietary technologies, to help our customers operate more effectively and efficiently. We may incur significant expense in preparing to meet anticipated customer requirements that we may not be able to recover or pass on to our customers. Increased competition may force us to improve our process, technical, product and service capabilities and/or lower our prices or result in loss of customers, which may adversely affect our profitability and market share, in turn, affecting our business, financial condition, results of operations and future prospects. There is no assurance that we will remain competitive with respect to technology, design, quality or cost. In addition, our competitors may develop competing technologies that gain market acceptance before or instead of our products. Our competitors' actions, including expanding manufacturing capacity, expansion of their operations to newer geographies or product segments in which we compete, or the entry of new competitors into one or more of our markets could cause us to lower prices in an effort to maintain our sales volume.

25. We may not be successful in our future pursuit of strategic investment and acquisition opportunities.

We intend to selectively pursue strategic investment and acquisition opportunities that complement our growth strategy or strengthen or establish our presence in our targeted domestic and overseas markets. We may also form strategic alliances with global and domestic players in various segments of the UAV industry that bring synergies to our business. However, we cannot assure you that we will be able to identify suitable acquisition or strategic investment opportunities at acceptable costs and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, reach agreements with the relevant parties, integrate such businesses or investments or that any business acquired or investment made will be favourable or profitable. Acquisitions and investments may also create other unforeseen operating difficulties and expenditures or have an adverse impact on our financial condition or the price of our Equity Shares, including potentially dilutive issuances of Equity Shares, the incurrence of debt, contingent liabilities or amortization expenses or write-offs, inability to maintain the key business relationships and the reputation of acquired businesses. Further, the number of attractive expansion opportunities may be limited, and attractive opportunities may command high valuations for which we may be unable to secure the necessary financing. Such initiatives may also require significant capital and other resources, as well as management attention, which could place a burden on our resources and abilities.

26. Any defect or our inability to comply with quality parameters may lead to the cancellation of existing and future orders and could negatively impact our reputation, business, cashflow and results of operations and future prospects.

Given the critical nature of the application of our products (such as for defence missions), we always aim to maintain a high standard for the performance and quality of our products. Our customers have high expectations for product quality and in certain instances prior to placing the orders, there is a detailed review process that is undertaken by certain customers. We try to ensure that our products are faultless and conform to the specific requirements of our customers. Our quality assurance team conducts detailed material inspections and then subjects the products to various tests, such as environmental stress screening, following which the products are sent for packaging. However, our quality control procedures may fail to test all possible conditions of use or identify all defects in the design, engineering or specifications of our UAVs. While there have been no instances in the past where any of our products were rejected by the customers during the inspection process, there can be no assurance that such rejections of products would not happen in future. Also, any defect or our inability to comply with the quality parameters may lead to cancellation of existing orders or non-renewal of contracts by our customers and in certain instances may even impose additional costs in the form of product liability and/or product recall thereby creating an adverse impact on our reputation, business, cashflow and results of operations and future prospects. Recently, a first information report has been lodged against our Company and Ankit Mehta, Promoter, Whole-Time Director and CEO of our Company in relation to an explosion of the battery of one of our UAVs'. It is alleged that the battery of one of our UAV exploded injuring four persons at a client's site. The battery allegedly exploded while the UAV was being charged. While the matter is still under investigation, we cannot assure you that the quantum of liability if any, would be less or that it will not have any adverse impact on our financial condition and reputation. For details see – '***Outstanding Litigation and Material Developments – Litigation filed against our Company***' on page 372.

27. We may be unable to obtain and maintain our patent rights thereby creating an adverse impact on our business and results of operations.

Our intellectual property and proprietary rights are important to our ability to remain competitive and successful in the development of our products and to our future growth potential. As on June 17, 2023, we have 37 patent applications pending, out of which 17 applications are pending internationally and 20 applications are pending in India. Some of the capabilities of our UAVs such as take-off area suitability check, coverage area check and target location coverage check for off-site mission planning prior to deployment are, as per the 1Lattice Report, unique in the industry, and we have filed patent applications for these capabilities. However, patent protection can be limited and not all intellectual property can be patented. We expect to rely on a combination of patent, trademark, copyright as well as confidentiality and non-disclosure agreements and procedures, and other contractual provisions to protect our intellectual property, other proprietary rights and our brand. We currently only have a limited amount of granted trademark, patent or copyright protections. We believe that our proprietary products, and technology are strongly aligned with requirements of our customers. However, due to varying requirements from different regulatory bodies we may be unable to obtain the patents that we have applied. Moreover, our existing patents may expire, and we cannot assure you that we will renew, or will be able to renew, them after the expiry. As a result, our intellectual property rights may be challenged, invalidated or circumvented by third parties. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by employees or competitors. Our inability to patent our future innovation and protect our proprietary information could adversely affect our business and results of operations. While there have been no past instances of patent infringements or any dispute in relation to our patents, we cannot assure you that our patents will be adequately protected. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. The process of seeking patent protection can be lengthy and expensive. Further, our patent applications may not be granted, and our existing and future patents may be insufficient to provide us with meaningful protection or competitive advantage.

28. We must recruit and retain highly-skilled employees to succeed in our competitive business.

We depend on our ability to recruit and retain employees who have advanced engineering and technical services skills and who work well with our customers. These employees are in demand and are likely to remain a limited resource in the foreseeable future. The table below shows our expenditure on salary and wages for such skilled employees for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenditure on hiring skilled employees (₹ in million)	371.46	276.83	186.63
As a % of our revenue from operations	19.97	17.36	53.75

If we are unable to recruit and retain a sufficient number of these employees, then our ability to maintain our competitiveness and grow our business could be negatively affected. We significantly depend on such skilled employees. Further, the table below shows the number of employees who have left and the and the attrition rates of our employees for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of employees who left our Company	40	45	43
% of attrition	14.87	24.59	23.63

In addition, because of the highly technical nature of our products, the loss of any significant number of our existing engineering personnel could significantly delay or prevent the achievement of our business objectives, materially harm our business and customer relationships and impair our ability to identify and secure new contracts.

29. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak the governments of many countries, including India, had taken and may continue to take preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit time spent outside of their homes. Temporary closures of businesses were ordered, and numerous other businesses were temporarily closed on a voluntary basis as well. For most of Fiscal 2021, the COVID-19 pandemic caused widespread and prolonged lockdowns throughout India. The nationwide lockdown in India during March and April 2020 resulted in the full closure of our manufacturing facility for four weeks in Fiscal 2021, resulting in no production for that period. COVID19 has been extremely disruptive for the UAV industry with huge supply shortage for components, such as electronic components and communication modules in Fiscal 2021. As a consequence, our supply chain was disrupted. While we were able to successfully deliver our orders on time despite such supply chain disruptions, as we found alternative sources of supply or change parts, we cannot assure you that in future we would be able to find similar alternative routes to combat the shortages of supply of components.

The duration and extent of the effect of COVID-19 on our business and results of operations is not determinable. If the COVID-19 pandemic persists, whether through the outbreak of new virus strains or otherwise, further lockdowns and travel disruptions may occur, factory closures may be required, and we may experience lower production levels, additional direct costs and lost revenue. For example, a new COVID-19 variant named Omicron was detected in November 2021 and caused major supply chain disruptions. In addition, if our suppliers experience COVID-19 related closures or reductions in their capacity utilization levels in the future, we may have difficulty sourcing the components necessary to fulfil production requirements. Any of these factors could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us.

30. We are dependent on our Promoters, Directors, other Key Managerial Personnel and Senior Management, including other employees with technical expertise. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Promoters, Directors, other Key Managerial Personnel and Senior Management as well as persons with technical expertise for strategic business decisions and managing our business. We are led by our Promoters, Ankit Mehta, Rahul Singh and Ashish Bhat, our Chief Financial Officer, Vipul Joshi and our Vice President–Sales and Business Development, Vishal Saxena, who are involved in strategic planning, operations, design and production development, and have a cumulative work experience of more than 85 years. Their experience and leadership have played a key factor in our growth and development. Our management team of qualified and experienced professionals enables us to identify new avenues of growth and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful product offerings. The relationships and reputation that members of our management team and key employees have established and maintain with our clients contribute to our ability to maintain good customer relations and to identify new business opportunities. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Any loss or interruption in the services of our Key Managerial Personnel or Senior Management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business and growth.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals and retain our service engineers and sales and marketing professionals. Recruiting and retaining capable personnel, particularly those with expertise and experience in our industry, are vital to our success. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

31. Our manufacturing facility and Registered Office are located on premises taken on a leave and license basis. There can be no assurance that these leave and license agreements will be renewed upon termination or that we will be able to obtain other premises on leave and license basis on same or similar commercial terms or at all.

Our manufacturing facility and Registered Office are located on the same premise being EL-146, TTC Industrial Area, Electronic Zone MIDC, Mahape, Navi Mumbai Thane–- 400 710 Maharashtra, India. Our Registered Office is located on a premise which is taken on a leave and license basis for a period of five years with effect from October 1, 2021. Our godowns, product development centre, guest houses and sales office are also located on premises that are taken on a leave and licensed basis. While we renew these leave and licensed agreements periodically in the ordinary course of business, in the event that these existing licenses are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business and results of operations may be adversely affected. Our inability to renew leave and licensed agreements on commercially favourable terms may lead to disruptions to our business and have a material adverse impact on our financial condition and results of operations.

32. We do not enter into any long-term contracts with our suppliers.

We have long standing relationships with certain suppliers, although we do not enter into any long-term contracts with such suppliers. We procure all of our components either by entering into short-term contracts or by way of purchase orders on an ongoing basis and therefore, are required to pay the market price of such products. We cannot assure that our existing suppliers would continue to agree enter into such contracts with us. Any variation in the agreed terms of such contracts would create an adverse impact on our business. The loss of any of our existing suppliers as a result of termination of existing contracts, may adversely affect our flow of operations. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source components at a competitive price.

33. Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability.

Our operations are subject to certain hazards such as work accidents, fire, earthquakes, flood and other *force majeure* events, acts of terrorism and explosions, including hazards that may cause destruction of property and inventory. Our principal types of insurance coverage include coverage for our stocks that includes all normal risks associated with our business, including fire, burglary and terrorism. We typically maintain standard fire and burglary insurance policies for our stocks, also obtain goods carrying vehicle package policies and marine insurance policies for transit of goods. We have also obtained a group medical policy and group accidental policy for our employees. These insurance policies are generally valid for a year and are renewed annually. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations. The table below shows the aggregate coverage of insurance policies obtained by us as a percentage of our total fixed assets and inventory for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Aggregate coverage of insurance policies (₹ in million)	1,656.29	767.00	342.00
% of our total fixed assets and inventory covered by insurance	125.64	123.84	137.84

Our insurance may not be adequate to completely cover any or all of our risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. For instance, in 2022 there was an outbreak of fire on the production floor of our manufacturing facility due to electrical short circuit resulting in the damage of a portion of our inventory amounting to ₹ 80.04 million. While we submitted an insurance claim with respect to such fire incident, we have not received the same and the claim is under process. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, 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, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see '***Our Business – Insurance***' on page 208. If insurance coverage, customer indemnifications and/or other legal protections are not available or are not sufficient to cover risks or losses, it could have a material adverse effect on our financial position, results of operations and/or cash flows.

34. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others and any failure to keep our technical knowledge confidential could erode our competitive advantage and could have a material adverse effect on us.

As on June 17, 2023, we have 10 granted patents in India and 15 granted patents in other jurisdictions and as on June 17, 2023, we have 37 patent applications pending, out of which 17 applications are pending internationally and 20 applications are pending in India. As on June 17, 2023, we have 33 registered trademarks in India and we have applied for 21 trademarks, including 2 applications internationally and 19 applications in India which are currently pending. As on June 17, 2023, we have 7 registered copyrights in India and have applied for 2 copyrights in India which are currently pending. Our future patents and current and future trademarks and copyrights are subject to expiration, and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and copyrights and loss of such trademarks and copyrights could have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, see '***Government and Other Approvals - Intellectual Property***' on page 377.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors using our tradename or brand names. Although there have not been such incidents in the past, any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses.

Further, we possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our technical knowledge is protected only by secrecy. While there have been no past instances where there was breach of confidentiality in relation to our technical knowledge by our employees, we cannot be certain that our technical knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. In the event that the confidential technical information in respect of our processes and products or business becomes available to third parties or to the general public, any competitive advantage we may have over our peers could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

35. We face foreign exchange risks that could adversely affect our results of operations.

We partially import certain components such as carbon fibre tubes, landing gear, propellors, motors and antennas, required for manufacturing UAVs. The table below indicates the expenses incurred on imports in Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses on imports	477.11	264.48	152.93

We are therefore exposed to fluctuations in exchange rates against the Indian Rupee. While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on this account. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. Further any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

36. Any restrictions under the Foreign Direct Policy or delay in receiving approvals would adversely affect our business, operations and financial conditions.

We are required to obtain a licence under the IDR Act to manufacture our UAVs which we have obtained in 2015. One of the conditions stipulated under such licence requires us to intimate the MoD for foreign investments and also seek clearances from the Ministry of Home Affairs in case of any addition of foreign partners. Under applicable law, Foreign Direct Policy ("**FDI**") up to 49% is allowed in our Company under the automatic route (with a post-facto declaration to the MoD regarding certain changes in our shareholding pattern) and FDI exceeding 49% requires prior approval from DPIIT. The approval process is time consuming and can cause delay in the prospective fund-raising process. For instance, in 2017, we faced a considerable amount of delay in receiving the requisite approval (under the FDI policy in force in 2017) while raising funds through Series A CCPS. Hence, we cannot assure you that we would not face any such delays in future or would always get approvals to raise funds where foreign investments in our Company exceed 49%. Any such delay or denial of approval would create an adverse impact on our business, operations and financial conditions. Further, these approvals granted to us may be revoked at any point of time due to circumstances which may or may not be within our control and this could have an adverse impact on our business and operations. Moreover, any further restrictions of the FDI policy impacting our industry would also restrict our foreign investment opportunities thereby creating an adverse impact on our business, operations and financial conditions.

37. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.

As of March 31, 2023, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for in our results of operations were as follows:

(in ₹ million)

S. No.	Particulars	As on March 31, 2023	Contingent liabilities as a percentage of net worth (%)
1.	Demands raised by income tax authorities	35.22	1.08
2.	Demands raised by indirect tax authorities	34.33	1.06
	Total	69.55	2.14

Note: Net Worth is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding foreign currency translation reserve.

We have not made provisions for the above contingent liabilities, as they are either possible obligations whose existence will be confirmed only by future uncertain events outside the control of our Company or are present obligations where the outflow of economic resources may not be probable or cannot be measured reliably. If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see '***Restated Consolidated Financial Information – Note 40 Contingent Liabilities and Commitments***' on page 325.

38. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration to our Directors and Key Managerial Personnel. For further information relating to our related party transactions, see *'**Restated Consolidated Financial Information – Note 35 Related Party Transactions**'* on page 315. While we believe that all such transactions have been conducted on an arm's length basis and are in compliance with the relevant provisions of Companies Act and any other applicable laws and regulations as amended, we cannot assure you that we might not have obtained more favourable terms had such transactions been entered into with unrelated parties.

While we shall endeavour to conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. While our Company will endeavour to duly address such conflicts of interest as and when they may arise, 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 or may potentially involve any conflict of interest**.**

39. Certain sections of this Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.

We have availed the services of an independent third-party research agency, Praxian Global Private Limited, appointed by us pursuant to an engagement letter dated October 6, 2022 entered into with our Company, to prepare an industry report titled "*Drone Industry Report*" (the "***1Lattice Report***"), that has been exclusively commissioned and paid for by us, for purposes of inclusion in this Red Herring Prospectus. The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report. The 1Lattice Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amount may differ materially from those included in this Red Herring Prospectus. Also see '***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data***' on page 16.

40. There are outstanding legal proceedings involving our Company and Directors. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition.

There are outstanding legal proceedings against our Company and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section '***Outstanding Litigation and Material Developments***' on page 372) involving our Company, Promoters, Directors and Subsidiary.

Particulars	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* *(in ₹ million)*
Company						
By our Company	Nil	5	Nil	NA	Nil	69.55
Against our Company	1	Nil	1	NA	Nil	Nil
Directors						
By our Directors	Nil	Nil	Nil	NA	Nil	Nil
Against our Directors	1	Nil	Nil	NA	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	1	Nil	Nil	Nil	Nil	Nil
Subsidiary						
By our Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against our Subsidiary	Nil	Nil	Nil	NA	Nil	Nil

* *Amount to the extent quantifiable*

For further information, see '***Outstanding Litigation and Other Material Developments***' on page 372.

These legal proceedings may or may not be decided in our favor. Further, as of March 31, 2023, we have not made any provisioning as necessary to be made by us for any possible liabilities arising out of these litigation. Additional liability may also arise out of these proceedings. Adverse decisions in such proceedings may have an adverse effect on our business, results of operations, cash flows, financial condition and growth strategy.

41. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, any of which could adversely affect our business and financial condition. Our Company is required to obtain prior approval from and provide prior information to our lenders for, *among other things*, change in control of our Company, change in capital structure or constitutional documents, and any change in the general nature of the business or undertake any new projects or expansion. Any failure in the future to satisfactorily comply with any condition or covenant under our financing agreements (including technical defaults) may lead to a termination of one or more of our credit facilities, immediate repayments of our credit facilities or disclose our name or of our Directors as defaulters, any of which may adversely affect our business, financial condition and results of operations. Although we have not defaulted on our financial obligations and have been in compliance with covenants in the past, we cannot assure you that we will be able to comply with all such financial obligations and covenants in the future. Further, we have granted security interests over certain of our assets, including charge on our present and future current assets and on our present and future movable and immovable fixed assets, in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, see '***Financial Indebtedness***' on page 370.

42. We have availed working capital facilities which are repayable on demand. Any demand from lenders for repayment of such working capital facilities may adversely affect our cash flows.

We have an outstanding working capital facility amounting to ₹ 1,290.67 million, as on April 30, 2023 on a consolidated basis and in future may continue to avail such working capital facilities which may be recalled at any time. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade the lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

43. Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds for (i) repayment/prepayment of certain indebtedness availed by our Company; (ii) funding working capital gap; (iii) investments in product development and (iv) general corporate purposes in the manner specified in '***Objects of the Offer***' on page 103. The amount of Net Proceeds to be actually used will be based on our management's estimates and has not been appraised by any bank or financial institution. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. 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. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors.

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

44. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilize the Net Proceeds towards (i) repayment/prepayment of certain indebtedness availed by our Company; (ii) funding working capital gap; (iii) investment in product development, and (iv) general corporate purposes in the manner specified in '***Objects of the Offer***' on page 103. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net

Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

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

45. Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas. We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. For instance, we review our financials on a monthly basis and any unauthorized, incomplete and inaccurate financial statements are reported to the Board of Directors. Maintaining such internal controls require human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. While there have not been any instances of non-adherence with internal controls in the past three Fiscals, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls.

Our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and our distributers and re-sellers from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We take reasonable measures to prevent corruption by including anti-bribery clauses by ways of representations and warranties in our re-seller and distribution agreements and also provide training to our employees on anti-corruption laws and regulations. However, we are still exposed to the risks arising from breach of such contracts and our inability to monitor such breaches. Further, for certain government bids, we are generally required to enter into pre-contract integrity pact agreements with the respective GoI entities for the purpose of recording certain obligations with respect to avoidance of corrupt practices with respect to the proposed bids. For instance, we are required to confirm under such agreements that we would not offer any inducement to the officer of the GoI entity or collude with any other party interested in the bid to impair the fairness. We participate in collaborations with our distributors and re-sellers whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our reputation, business, results of operations, cash flow and financial condition.

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

Fraud or misconduct by our employees such as leaking of confidential information in relation to our software and solutions, unauthorized business transaction, bribery, breach of any applicable law or our internal policies could result in regulatory actions and litigation thereby creating an adverse impact on our business and reputation.

We take reasonable measures to prevent corruption by including anti-bribery clauses by ways of representations and warranties in our re-seller and distribution agreements and also provide training to our employees on anti-corruption laws and regulations. Although we have controls in place with respect to the handling of such cases, we may be unable to prevent, detect or deter all such instances of misconduct. Prior to registration for some of the bids, we are generally required to enter into integrity pact agreements with the respective GoI entities with the purpose of recording certain obligations with respect to prevention of corrupt practices with respect to the proposed bid. For instance, we are required to confirm that we would not offer any inducement to the officer of the GoI entity or collude with any other party interested in the bid to impair the fairness. While there have been no past instances of any such fraud or misconduct committed by our employees under such contract or otherwise, we cannot assure you that our employees will not commit any fraud or other misconduct in the future. Further, we may not be able to identify non-compliance and suspicious transactions in a timely manner. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and financial condition.

47. Our business may be subject to labour conflicts, strikes, or other types of conflicts with our workforce which may adversely impact on our business, results of operations and financial condition.

We are significantly dependent on labour force for our manufacturing operations. As of May 31, 2023 we had 288 permanent employees. In addition to our permanent employees, we have five personnel engaged as consultants and 232 employees on a contractual basis primarily as technicians for providing support to manufacturing team, as of May 31, 2023. The success of our operations depends on the availability of labour and maintaining a good relationship with workforce, and we currently do not have any trade unions. A shortage of skilled or unskilled personnel or work stoppages caused by disagreements with our workforce, strikes and lockouts as a result of disputes could have an adverse effect on our business, results of operations and financial conditions. As such, we believe our relations with our employees to be amicable. While there is no instance of work stoppages caused by disagreements with our workforce, strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any such disagreements, strikes, lockouts or labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing facility as well as at our offices. We have also engaged 31 contractual labourers for carrying out various activities such as manpower support services, security and housekeeping, as of May 31, 2023. Although our Company does not engage such contract labourers directly, we may be held responsible for any wage payments to be made to such contract labourers in the event of default by independent contracts. While there has been no past instance where we were held responsible for payment of wages to contract labourers, we cannot assure you that we would not be held liable for payment of wages in the future. In addition, we are subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labour laws become more stringent, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

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

Our Company has a formal dividend policy as on the date of this Red Herring Prospectus pursuant to a resolution of our Board dated December 14, 2022. Our Company has not made any dividend payments in the last three Fiscals. For further information, see '***Dividend Policy***' on page 250. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. 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, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Accordingly, 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.

49. Our Company has issued Equity Shares during the last twelve months at a price which may be lower than the Offer Price.

We have, in the 12 months preceding the filing of this Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Offer Price. See '***Capital Structure – Notes to Capital Structure – Issue of Equity Shares at a price lower than the Offer Price in the last year***' on page 88. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded. The details of Equity Shares allotted in the 12 months preceding the date of this Red Herring Prospectus are given below:

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)
June 24, 2022	Exercise of stock option pursuant to ESOP 2018	64	10	10
December 6, 2022	Allotment pursuant to conversion of warrants	321	10	41,976
December 14, 2022	Exercise of stock option pursuant to ESOP 2018	1,327	10	10
December 16, 2022	Bonus issue in the ratio of 225 Equity Share for every one Equity Share held.	20,747,700	10	N.A
December 19, 2022[(1)]	Allotment pursuant to conversion of Series A1 CCPS	74,128	10	10
January 24, 2023[(2)]	Exercise of stock option pursuant to ESOP 2018	423,524	10	10
May 13, 2023	Exercise of stock option pursuant to ESOP 2018	671,446	10	10
June 7, 2023	Private placement (Pre-IPO Placement)	892,857	10	672.00
June 14, 2023	Allotment pursuant to conversion of Series A CCPS	8,620,770	10	80.73
June 14, 2023	Allotment pursuant to conversion of Series B 1 CCPS	4,041,784	10	230.09
		256,284		217.46
June 14, 2023	Allotment pursuant to conversion of Series B CCPS	721,844	10	185.69
		86,106		185.37
		228,938		185.63
		164,076		185.62
		403,862		185.71
		269,166		185.71
		403,862		185.71

[(1)] These Series A1 CCPS were partly paid at the time of allotment and were subsequently made fully paid-up on December 6, 2022. The allotment of 74,128 Equity Shares includes 73,800 Equity Shares allotted basis the bonus issuance on December 16, 2022.
[(2)] The allotment of 423,524 Equity Shares includes 421,650 Equity Shares basis the bonus issuance on December 16, 2022.

Further, please see the section titled '***Basis for Offer Price – Weighted average cost of acquisition – 8. A. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)***' on page 124 of this RHP for details of the Equity Shares or convertible securities issued during the 18 months preceding the date of this DRHP where issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company.

50. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the proceeds from the Offer for Sale.

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the proceeds from the Offer for Sale (net of its portion of the Offer-related expenses) and our Company will not receive any proceeds from the Offer for Sale. None of our Directors or Key Managerial Personnel or Senior Management will receive, in whole or in part, any proceeds from the Offer. Please see below the pre and post offer shareholding of each of the Selling Shareholders:

Name of the Selling Shareholders	Pre-Offer		Post-Offer@	
	Number of Equity Shares (on a fully diluted basis) (1)	Percentage of pre-Offer Equity Share Capital (on a fully diluted basis) (1)	Number of Equity Shares (on a fully diluted basis) (1)	Percentage of Post-Offer Equity Share capital (on a fully diluted basis) (1)
A&E Investment LLC	452,000	1.17	[●]	[●]
Agarwal Trademart Private Limited	266,002	0.69	[●]	[●]
Amarpreet Singh	35,482	0.09	[●]	[●]
Ashish Bhat	3,547,070	9.14	[●]	[●]
Celesta Capital II Mauritius	4,430,956	11.42	[●]	[●]
Celesta Capital II-B Mauritius	527,710	1.36	[●]	[●]
Export Import Bank of India	403,862	1.04	[●]	[●]
Indusage Technology Venture Fund I	2,302,488	5.94	[●]	[●]
Nambirajan Seshadri	167,466	0.43	[●]	[●]
Naresh Malhotra	113,452	0.29	[●]	[●]
Society for Innovation and Entrepreneurship	99,666	0.26	[●]	[●]
Sujata Vemuri	1,061,748	2.74	[●]	[●]
Sundararajan K Pandalgudi	51,980	0.13	[●]	[●]
Qualcomm Asia Pacific Pte. Ltd.	1,407,528	3.63	[●]	[●]
Total	**14,867,410**	**38.33**	[●]	[●]

@ *To be updated upon finalisation of the Offer Price*
(1) *Includes vested options pursuant to ESOP 2018*

51. Certain Non-GAAP measures presented in this Red Herring Prospectus may have limitations as analytical tools, may vary from any standard methodology applicable across the drone industry, and may not be comparable with financial or statistical information of similar nomenclature presented by other peer companies.

We use certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Capital Employed, Adjusted Return on Capital Employed, Net Worth, Return on Net Worth, Net Asset Value per Equity Share and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us and our operating and financial performance. For more information on the non-GAAP financial measures used in this Red Herring Prospectus, see '***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Non-GAAP Financial Measures***' on page 16.

Presentation of these non-GAAP financial measures and key performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Information set out in this Red Herring Prospectus. These non-GAAP financial measures and performance indicators are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools. These non-GAAP financial measures may differ from similar titled information used by our peer companies, who may calculate such information differently and hence their comparability with the measures used by us may be limited. These measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure. Therefore, these non-GAAP financial measures and key performance indicators should not be viewed as substitutes for measures of performance under Ind AS or as indicators of our cash flows, liquidity or profitability.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Set forth below is India's sovereign debt ratings:

Name of the Agency	Rating	Outlook	Date
Fitch	BBB-	Stable	May 8, 2023
Moody’s	Baa3	Stable	March 17, 2023
DBRS	BBB (low)	Stable	May 16, 2023

Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing 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 favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies from 30% to 22% (exclusive of applicable health and education cess and surcharge). Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 (“**Finance Act**”), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax (“**DDT**”) will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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

Further, the Government of India has announced the Union Budget for Fiscal 2024 and the Finance Act, 2023, which was notified on the e-Gazette on March 31, 2023. The Finance Act, 2023 introduced various amendments to taxation laws in India. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have any adverse effect on our business, financial condition, future cash flows and results of operations. . In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, components and other expenses relevant to our business. Further, a rise in inflation in other countries, such as in the United States of America or United Kingdom, may lead to an increase in the interest rates in India and depreciation in the value of the Rupee which in turn make the components imported by our Company costlier.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures and has recently increased the repo rates to curb inflation. However, these policies and steps taken by the RBI may not be successful. In February 2022, hostilities between Russia and Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which may have an inflationary effect in India. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to control the increase in our expenses related to salaries or wages payable to our employees, reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

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

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

56. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions due to which they may have difficulty in asserting their rights as a shareholder.*

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

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

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

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

58. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers ("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, Indusage and Celesta Capital in consultation with the BRLMs. Furthermore, the Offer 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 the Offer Price***' on page 118 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price**.**

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 387. 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.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after the Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

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

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument ("**MLI**"), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

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.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are credited with the Equity Shares after the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to complete within six Working Days of the Bid Closing Date.

There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

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

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see '***Restrictions on Foreign Ownership of Indian Securities***' on page 425.

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

Our Restated Consolidated Financial Information for Fiscals 2023, 2022 and 2021, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial information and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

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

Pursuant to the SEBI ICDR Regulations, Qualified institutional buyers ("**QIBs**") and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids.

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

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

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

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

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

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management’s attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. 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.

External Risk

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

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

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

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. For instance, in 2022 there was an outbreak of fire on the production floor of our manufacturing facility due to electrical short circuit resulting in the damage of a portion of our inventory amounting to ₹ 80.04 million. We cannot assure you that there will not be any such accidents in the future thereby causing an adverse effect on our business and operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

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, regulators implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

SECTION III – INTRODUCTION

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares^	Up to [●] Equity Shares aggregating up to ₹ [●] million
Of which:	
Fresh Issue[(1)^]	Up to [●] Equity Shares aggregating up to ₹ 2,400.00 million
Offer for Sale[(2)] by Selling Shareholders	Up to 4,869,712 Equity Shares aggregating up to ₹ [●] million
Of which:	
Employee Reservation Portion[(3)]	Up to 13,112 Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Net Offer comprises of :	
A. QIB Portion[(4) (6)]	Not less than [●] Equity Shares
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
Of which:	
Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion[(5) (6)]	Not more than [●] Equity Shares
Of which:	
One-third available for allocation to Bidders with an application size of size of more than ₹ 200,000 and up to ₹ 1,000,000	[●] Equity Shares
Two-thirds available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●] Equity Shares
C. Retail Portion[(6)]	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer as on the date of this Red Herring Prospectus	38,098,559 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See '***Objects of the Offer – Interim use of Net Proceeds***' on page 116 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

^ *Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.*

(1) *Our Board has authorised the Offer pursuant to their resolution dated February 3, 2023. Our Shareholders have authorised the Fresh Issue pursuant to their special resolution dated February 4, 2023.*

(2) *Each Selling Shareholder has confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. Each of the Selling Shareholders confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable. Each Selling Shareholder has authorized the inclusion of their respective portion of the Offered Shares in the Offer for Sale. For details of authorizations received for the Offer for Sale, see '**Other Regulatory and Statutory Disclosures**' beginning on page 380.*

(3) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000 net of Employee Discount), shall be added to the Net Offer. Our Company, Indusage and Celesta Capital, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see '**Offer Procedure**' and '**Offer Structure**' on pages 404 and*

400, respectively.

[4] *Our Company, Indusage and Celesta Capital may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, Indusage and Celesta Capital in consultation with the BRLMs in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see '**Offer Procedure**' on page 404.*

[5] *Not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion.*

[6] *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section '**Terms of the Offer**' on page 393.*

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹ 1,000,000 and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see '***Offer Structure***', '***Terms of the Offer***' and '***Offer Procedure'*** on pages 400, 393 and 404, respectively.

SUMMARY FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with '***Financial Information***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' beginning on pages 251 and 333, respectively. The following tables set forth summary financial information derived from our Restated Consolidated Financial Information.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in INR Millions, unless other wise stated)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	81.78	22.22	8.81
Right -of- use Assets	155.63	108.00	5.10
Capital Work-in-Progress	34.09	-	-
Other Intangible Assets	249.62	131.85	115.81
Intangible Assets Under Development	215.10	190.88	142.23
Financial Assets			
(i) Investments	10.00	-	-
(ii) Other Financial Assets	231.73	301.34	139.46
Deferred Tax Assets (Net)	52.16	18.88	1.01
Non-Current Tax Assets (Net)	11.27	11.27	10.64
Other Non-Current Assets	0.99	2.74	0.29
Total Non-Current Assets	**1,042.37**	**787.18**	**423.35**
Current assets			
Inventories	1,046.82	489.14	234.20
Financial Assets			
(i) Investments	1,240.76	106.50	-
(ii) Trade Receivables	578.16	203.07	237.50
(iii) Cash and cash equivalents	45.04	304.16	52.59
(iv) Bank Balances other than cash and cash equivalents	19.93	46.62	88.72
(v) Loans	0.85	0.61	0.44
(vi) Other Financial Assets	393.46	46.56	74.80
Other Current Assets	511.91	239.47	125.81
Total Current Assets	**3,836.93**	**1,436.13**	**814.06**
TOTAL ASSETS	**4,879.30**	**2,223.31**	**1,237.41**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	213.37	0.89	0.89
Instruments entirely equity in nature	0.67	0.38	0.38
Other Equity	3,033.17	1,631.76	596.21
Total Equity	**3,247.21**	**1,633.03**	**597.48**
Liabilities			
Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	-	-	377.81
(ii) Lease Liabilities	112.73	94.51	-
Provisions	25.07	23.96	19.03
Total Non-Current Liabilities	**137.80**	**118.47**	**396.84**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	865.04	56.76	127.93
(ii) Lease Liabilities	27.82	12.47	4.62
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	46.09	23.66	18.71
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	93.80	51.28	28.75
(iv) Other Financial Liabilities	51.01	54.76	49.52
Other Current Liabilities	280.92	208.50	6.39
Provisions	63.36	55.49	7.17
Current Tax Liabilities (Net)	66.25	8.89	-
Total Current Liabilities	**1,494.29**	**471.81**	**243.09**
TOTAL EQUITY AND LIABILITIES	**4,879.30**	**2,223.31**	**1,237.41**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amount in INR Millions, unless other wise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	1,860.07	1,594.39	347.18
Other income	103.95	20.09	16.17
Total Income	**1,964.02**	**1,614.48**	**363.35**
EXPENSES			
Cost of materials consumed	957.38	513.90	220.99
Changes in inventories of finished goods and work-in-progress	(368.80)	(101.69)	(37.96)
Employee benefits expense	509.13	268.53	192.49
Finance costs	48.35	176.70	16.72
Depreciation and amortisation expense	118.58	72.84	35.81
Other expenses	291.43	182.43	80.34
Total Expenses	**1,556.07**	**1,112.71**	**508.39**
Profit before exceptional items and tax	**407.95**	**501.77**	**(145.04)**
Exceptional Items	-	-	-
Profit/(Loss) before tax	**407.95**	**501.77**	**(145.04)**
Tax expense/(credit) :			
Current tax	121.31	79.68	-
Deferred tax (credit) / expense	(33.24)	(17.97)	1.22
Total tax expense	**88.07**	**61.71**	**1.22**
Profit/(Loss) for the year (A)	**319.88**	**440.06**	**(146.26)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss :			
Remeasurement of gains/(losses) on defined benefit plans	(0.16)	0.40	0.75
Income tax relating to items that will not be reclassified to profit or loss	0.04	(0.10)	(0.24)
Other Comprehensive income for the year, net of tax (B)	**(0.12)**	**0.30**	**0.51**
Total Comprehensive Income for the year (A+B) / (Comprising Profit (Loss) and Other Comprehensive Income for the year) Attributable to:	**319.76**	**440.36**	**(145.75)**
Owners of the parent	**319.76**	**440.36**	**(145.75)**
Non-controlling interests	**-**	**-**	**-**
Earnings per equity share ('EPS') (Face value of INR 10 each)			
Basic EPS (INR)	8.55	13.84	(5.03)
Diluted EPS (INR)	8.12	13.13	(5.03)

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amount in INR Millions, unless other wise stated)

Particulars	2022-23	2021-22	2020-21
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(Loss) before tax :	**407.95**	**501.77**	**(145.04)**
Adjustments for:			
Depreciation and Amortisation Expense	118.58	72.84	35.81
Interest on micro enterprise and small enterprises (MSME)	0.72	1.15	-
Changes in fair value of financial assets at fair value through profit or loss	(21.33)	(3.05)	0.03
Allowance for bad and doubtful debts	4.24	5.56	(2.03)
Finance Costs	48.35	176.70	16.72
Foreign Exchange Fluctuation (Gain)/Loss	(3.65)	0.41	0.31
Interest on Fixed Deposit	(31.15)	(16.50)	(11.25)
Interest Others	(20.11)	-	-
Dividend	-	-	(1.38)
Fair value income on security deposit (lease)	(0.78)	(0.19)	(0.19)
Employee share-based payment expense	276.99	62.78	58.88
Net gain on sale of PPE	-	(0.19)	-
Gain on waiver of lease liability	-	-	(0.60)
Change in Operating Assets and Liabilities:			
Adjustments for (increase) / decrease in operating assets:			
(Increase) / Decrease in Inventories	(557.68)	(254.94)	(125.65)
(Increase) / Decrease in Trade Receivables	(379.33)	28.87	(134.32)
(Increase)/Decrease in other financial assets	(185.47)	(9.24)	0.01
(Increase)/Decrease in other non -current/current assets	(270.69)	(116.10)	(79.26)
(Increase)/Decrease in Loan	(0.24)	(0.16)	(0.02)
Adjustments for increase / (decrease) in operating liabilities:			
Increase/(Decrease) in Trade Payables	67.88	25.92	38.93
Increase/(Decrease) in Provisions	8.83	53.64	7.53
(Decrease)/Increase in Other Financial Liabilities	(3.74)	5.24	31.49
(Decrease)/Increase in Other Current/Non Current Liabilities	72.42	202.11	1.44
Cash Generated from Operations	**(468.21)**	**736.62**	**(308.59)**
Less: Direct taxes (paid)/refunded	(64.09)	(71.42)	0.46
Net cash generated from/(used in) from Operating Activities	**(532.30)**	**665.20**	**(308.13)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(330.96)	(134.77)	(89.79)
Investment in mutual funds (net)	(1,092.81)	(103.46)	119.01
Investment in Equity instrument	(10.00)	-	-
Proceed from sale of property, plant and equipment	-	0.23	-
Investments in fixed deposits (net)	(85.67)	(92.87)	(112.98)
Dividends received	-	-	1.38
Interest Received	30.36	23.25	14.35
Net cash (used in)/generated from investing activities	**(1,489.08)**	**(307.62)**	**(68.03)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of preference share including security premium	1,025.29	-	-
Expenses incurred directly in connection with issue of compulsorily convertible preference shares	(8.09)	-	-
Proceeds from issue of share warrants	-	0.03	-
Proceeds from Issue of Equity Shares		0.00	0.00
Repayment of unsecured loan	(56.52)	-	-
Repayment of short term secured bank loan	(0.24)	(77.83)	(0.31)
Repayment of long term secured debentures	-	(150.00)	-
Proceeds from long term secured bank loan		240.00	-
Repayment of long term secured bank loan		(240.00)	-
Repayment loan NBFC borrowings	-	(150.00)	-
Proceed from compulsorily convertible debenture	-	124.99	297.95
Proceeds from issue of unsecured debentures	-	-	150.00
Proceeds from long term NBFC borrowings	-	150.00	-
Proceeds from short term secured bank loan	343.54	77.50	0.47
Proceeds from overdraft facility from bank	521.50	-	-
Proceeds from unsecured loan		56.52	-
Repayment of overdraft facility of bank	-	(52.60)	-
Interest paid	(38.64)	(72.86)	(11.56)
Payment of Lease Liability	(24.58)	(11.76)	(8.70)
Net cash generated from/ (used in) financing activities	**1,762.26**	**(106.01)**	**427.85**
Net (decrease)/increase in cash and cash equivalents	**(259.12)**	**251.57**	**51.69**
Cash and cash equivalents - Opening balance	**304.16**	**52.59**	**0.90**
Effects of exchange rate changes on Cash and Cash Equivalents			
Cash and cash equivalents - closing balance	**45.04**	**304.16**	**52.59**

Components of cash and cash equivalents :			
Cash on hand	0.35	0.18	0.19
Balance with banks :			
In Current accounts	6.35	153.98	12.60
In deposits with original maturity of less than three months	19.90	150.00	19.90
Deposits with banks to the extent held as margin money	18.44	-	19.90
Total cash and cash equivalents (Refer Note No.10)	**45.04**	**304.16**	**52.59**
Cash and cash equivalents for Statement of Cash flows	**45.04**	**304.16**	**52.59**

GENERAL INFORMATION

Our Company was incorporated as "ideaForge Technology Private Limited" on February 8, 2007, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 8, 2007 issued by the RoC. Upon the conversion of our Company into a public limited company, pursuant to a resolution passed by our Shareholders on December 20, 2022, the name of our Company was changed to "ideaForge Technology Limited" and a fresh certificate of incorporation dated January 2, 2023 was issued by the RoC. For details, see '***History and Certain Corporate Matters***' on page 216.

Corporate Identity Number: U31401MH2007PLC167669

Registration Number: 167669

Registered office of our Company

EL-146, TTC Industrial Area, Electronic Zone, MIDC
Mahape, Navi Mumbai, Thane 400 710
Maharashtra, India

For details of change in the registered office of our Company, see '***History and Certain Corporate Matters – Changes in the registered office***' on page 216.

Address of the Registrar of Companies

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

Registrar of Companies, Maharashtra at Mumbai
Everest, 5th Floor, 100 Marine Drive
Mumbai 400 002
Maharashtra, India

Board of Directors of our Company

Details regarding our Board of Directors as on the date of this Red Herring Prospectus are set forth below:

Name and Designation	DIN	Address
Srikanth Velamakanni *Chairman and Independent Director*	01722758	C 3701, Oberoi Exquisite, Oberoi Garden City, Near Westin Hotel, Goregaon East, Mumbai, Maharashtra 400 063
Ankit Mehta *Chief Executive Officer and Whole-Time Director*	02108289	Flat No G-426, 4th Floor, Maple Leaf CHS Ltd, Raheja Vihar Complex, Chandivali, Mumbai, Maharashtra 400 072
Rahul Singh *Vice President-Engineering and Whole-Time Director*	02106568	1002/ Tower-5/ Emerald Isle, Saki Vihar Road, L and T Powai, Powai, Mumbai, Maharashtra 400 072
Ashish Bhat *Vice President-Research & Development and Whole-Time Director*	02480920	Flat 1301, Floor 13, Wing 7 Saki Vihar Road, Emerald Isle Tower 7, Next to L T Business Park, Powai, Mumbai, Maharashtra 400 072
Ganapathy Subramaniam *Non-Executive Nominee Director*	00019891	Villa 29, Prestige White Meadows, Whitefield Main Road, Whitefield, Bengaluru, Karnataka 560 066
Mathew Cyriac *Non-Executive Nominee Director*	01903606	Imperial, 1908, North Tower, B.B. Nakashe Marg, Tardeo, Mumbai, Maharashtra 400 034
Sutapa Banerjee *Independent Director*	02844650	Springs – 1, Flat No. 3003 A and B, 30th Floor, G.D. Ambedkar Marg, Wadala Tel Exch Naigaon, Dadar East, Mumbai, Maharashtra 400 014
Vikas Balia *Independent Director*	00424524	Mukan 9, Nehru Park, Jodhpur, Rajasthan 342 003

For brief profiles and further details of our Directors, see '***Our Management***' on page 222 .

Filing of this Red Herring Prospectus

A copy of this Red Herring Prospectus shall be submitted to SEBI on cfddil@sebi.gov.in in accordance with instructions issued by the SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*" and will be filed with SEBI electronically on the platform provided by SEBI at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

It will also be filed with the SEBI at the following address:

Securities and Exchange Board of India
SEBI Head Office
SEBI Bhavan Plot No. C4-A
"G" Block Bandra Kurla Complex
Bandra (East) Mumbai 400 051
Maharashtra, India

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed, be filed with the RoC in accordance with Section 32 of the Companies Act, and a copy of the Prospectus shall be filed with the RoC at Everest, 5th Floor, 100 Marine Drive Mumbai 400 002, Maharashtra, India as required under Section 26 of the Companies Act and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

Sonam Gupta is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth below:

Sonam Gupta
Address: EL-146, TTC Industrial Area
Electronic Zone, MIDC
Mahape, Navi Mumbai, Thane 400 710
Maharashtra, India
Tel: + 91 226787 5000
E-mail: compliance@ideaforgetech.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

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

IIFL Securities Limited
10th Floor, IIFL Centre, Kamala City
Senapati Bapat Marg
Lower Parel (W), Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4728
E-mail: ideaforge.ipo@iiflcap.com
Website: www.iiflcap.com
Investor Grievance ID: ig.ib@iiflcap.com
Contact Person: Pawan Jain/ Shirish Chikalge
SEBI Registration Number: INM000010940

Statement of inter-se allocation of responsibilities amongst the Book Running Lead Managers ("BRLMs")

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of our Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	JM Financial, IIFL	JM Financial
2.	Drafting and approval of statutory advertisements	JM Financial, IIFL	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged prospectus, etc. and filing of media compliance report.	JM Financial, IIFL	IIFL
4.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements.	JM Financial, IIFL	IIFL
5.	Preparation of road show marketing presentation and frequently asked questions	JM Financial, IIFL	IIFL
6.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	JM Financial, IIFL	JM Financial
7.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	JM Financial, IIFL	IIFL

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

Syndicate Member

JM Financial Services Limited
Ground Floor, 2, 3 & 4, Kamanwala Chambers,
Sir P. M. Road, Fort,
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6136 3400
E-mail: tn.kumar@jmfl.com/ sona.verghese@jmfl.com
Website: www.jmfinancialservifces.in
Contact Person: T N Kumar/ Sona Verghese
SEBI Registration Number: INZ000195834

Legal Advisor to the Offer

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110020
Delhi, India
Telephone: +91 11 4159 0700

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: ideaforge.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: ideaforge.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer

Escrow Collection Bank and Refund Bank

HDFC Bank Limited
FIG- OPS Department- Lodha
I Think Techno Campus O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India
Telephone: +91 22 3075 2927/28/2914
Contact person: Siddharth Jadhav/ Eric Bacha/ Sachin Gawade
Website: www.hdfcbank.com
Email: siddharth.jadhav@hdfcbank.com/ eric.bacha@hdfcbank.com/ sachin.gawade@hdfcbank.com
SEBI Registration No.: INBI00000063

Public Offer Account Bank

Axis Bank Limited
Ground Floor, Jeevan Prakash Building
Sir P. M. Road, Fort, Mumbai – 400 001
Telephone: 96196 98042
Contact person: Mehdiali Abbas Fatteh
Website: www.axisbank.com
Email: fort.branchhead@axisbank.com
SEBI Registration No.: INBI00000017

Sponsor Banks

Axis Bank Limited
Ground Floor, Jeevan Prakash Building
Sir P. M. Road, Fort, Mumbai – 400 001
Telephone: 96196 98042
Contact person: Mehdiali Abbas Fatteh
Website: www.axisbank.com
Email: fort.branchhead@axisbank.com
SEBI Registration No.: INBI00000017

HDFC Bank Limited
FIG- OPS Department- Lodha
I Think Techno Campus O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India
Telephone: +91 22 3075 2927/28/2914
Contact person: Siddharth Jadhav/ Eric Bacha/ Sachin Gawade
Website: www.hdfcbank.com
Email: siddharth.jadhav@hdfcbank.com/ eric.bacha@hdfcbank.com/ sachin.gawade@hdfcbank.com

SEBI Registration No.: INBI00000063

Statutory Auditors to our Company

B S R & Co. LLP, Chartered Accountants
14th Floor, Central Wing B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway, Goregaon (East)
Mumbai 400 063
Maharashtra, India
Tel: + 91 22 6257 1000
E-mail: mpardiwalla@bsraffiliates.com
Peer Review Certificate No.: 014196
Firm Registration No.: 101248W/W-100022

Changes in auditors

There has been no change in the statutory auditors of our Company during the last three years.

Bankers to our Company

HDFC Bank Limited
6th Floor, A Wing, Trade Star
Near Kohinoor Continental Hotel
Sir Mathuridas, Vasanji Road, Andheri
J.B. Nagar, Andheri (E), Mumbai 400 059
Maharashtra, India
Tel: +91 9321543394
E-mail: raghavendra.pugalia1@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Raghavendra Pugalia

Axis Bank Limited
Wholesale Banking Operations
MWBC – Mumbai, 12 A Mittal Tower
1st Floor, Nariman Point
Mumbai 400021
Maharashtra, India
Tel: +91 2289 5138
E-mail: p.kirankumar@axisbank.com
Website: www.axisbank.com
Contact Person: Perla Kiran Kumar

Self-Certified Syndicate Banks

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

Self Certified Syndicate Banks ("SCSBs") and mobile applications enabled for Unified Payment Interface ("UPI") Mechanism.

In accordance with 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate Self Certified Syndicate Banks ("SCSB") Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, 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, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Grading of the Offer

No credit agency registered with SEBI has been appointed for grading for the Offer.

Monitoring Agency

Our Company, in compliance with Regulation 41 of SEBI ICDR Regulations, has appointed ICRA Limited as the Monitoring Agency for monitoring of the utilisation of the proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the proceeds from the Fresh Issue, please see '***Objects of the Offer - Interim use of Net Proceeds***' on page 116.

Expert

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

Our Company has received written consent dated June 19, 2023, from B S R & Co. LLP, Chartered Accountants, Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated May 29, 2023 relating to the Restated Consolidated Financial Information and (ii) the statement of possible special tax benefits dated June 19, 2023 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent dated June 12, 2023, from Ramanand & Associates, Independent Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and referred to as an "expert", as defined under Section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

Our Company has received written consent dated February 3, 2023 from A. D. Joshi Chartered Engineers and Valuers LLP, Independent Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and referred to as an "expert", as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an independent chartered engineer, in relation to the certificate dated June 12, 2023 certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facility.

Appraising Entity

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

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which will be decided by our Company, Indusage and Celesta Capital, in consultation with the BRLMs and minimum Bid lot which will be decided by our Company, Indusage and Celesta Capital, in consultation with the BRLMs and advertised in all editions of the Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company, Indusage and Celesta Capital, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and other Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Offer Period. Except Allocation to Retail Individual Bidders, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on the Book Building Process and the method and process of Bidding, see *'**Terms of the Offer**' '**Offer Procedure**'* and '***Offer Structure***' on pages 393, 404 and 400, respectively.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For an illustration of the Book Building Process, price discovery process and allocation, see '***Offer Procedure***' on page 404.

Underwriting Agreement

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

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

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

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

The above-mentioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data)

S.No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL(1)**		
	60,000,000 shares	600,000,000	-
	Comprising:		
	59,925,000 Equity Shares of face value of ₹ 10 each	599,250,000	-
	75,000 Preference Shares of face value of ₹ 10 each	750,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	38,098,559 Equity Shares of face value of ₹ 10 each	380,985,590	
C)	**PRESENT OFFER(2)**		
	Offer of up to [●] Equity Shares of face value of ₹ 10 each	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10 each	[●]	[●]
	Offer for Sale of up to 4,869,712 Equity Shares of face value of ₹ 10 each by the Selling Shareholders(3)	48,697,120	[●]
	The Offer Includes:		
	Employee Reservation Portion of up to 13,112 Equity Shares aggregating up to ₹ [●] million (4)	[●]	[●]
	Net Offer to the public of up to [●] Equity Shares	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER+**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT** *(in ₹ million)*		
	Before the Offer		2,794.32
	After the Offer*		[●]

**To be updated upon finalisation of the Offer Price.*
+Assuming full subscription in the Offer.

*(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see '**History and Certain Corporate Matters – Amendments to the Memorandum of Association**' on page 216.*
(2) Our Board has authorised the Offer, pursuant to their resolution dated February 3, 2023. Our Shareholders have authorised the Fresh Issue pursuant to special resolution dated February 4, 2023. Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating up to ₹ 600.00 million. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.
*(3) The Selling Shareholders confirm that the Offered Shares are eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see '**Other Regulatory and Statutory Disclosures**' on page 380.*
*(4) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 500,000), shall be added to the Net Offer. Our Company, Indusage and Celesta Capital, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see '**Offer Structure**' beginning on page 400.*

Notes to Capital Structure

1. **Equity Share capital history of our Company**

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

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
February 8, 2007	Initial subscription to the Memorandum of Association	3,300 Equity Shares were allotted to Ashish Bhat, 3,400 Equity Shares were allotted to Ankit Mehta and 3,300	10,000	10	10	Cash

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Equity Shares were allotted to Rahul Singh.				
January 27, 2009	Further issue of shares	528 Equity Shares were allotted to Ashish Bhat, 544 Equity Shares were allotted to Ankit Mehta and 528 Equity Shares were allotted to Rahul Singh.	1,600	10	10	Cash
March 31, 2009	Further issue of shares	9,574 Equity Shares were allotted to Sujata Vemuri.	9,574	10	488.23	Cash
December 31, 2009	Further issue of shares	12,672 Equity Shares were allotted to Ashish Bhat, 13,056 Equity Shares were allotted to Ankit Mehta and 12,672 Equity Shares were allotted to Rahul Singh.	38,400	10	10	Cash
December 20, 2011	Further issue of shares	1 Equity Share was allotted to Anshu Matta.	1	10	1,510	Cash
July 1, 2012	Conversion of unsecured loans to Equity Shares	2,048 Equity Shares were allotted to Sujata Vemuri.	2,048	10	732.42	Cash
October 31, 2012	Further issue of shares	5,256 Equity Shares were allotted to Vipul Joshi and 5,257 Equity Shares to Amardeep Singh.	10,513	10	10	Cash
January 9, 2015	Conversion of unsecured loans to Equity Shares	578 Equity Shares were allotted to CIIE Initiatives.	578	10	4,325.25	Cash
February 5, 2015	Rights issue (in the ratio of one Equity Share for every 16 Equity Shares held)	3,232 Equity Shares were allotted to Grow India Capital Private Limited.	3,232	10	8,663.37	Cash
February 24, 2015	Rights issue (in the ratio of one Equity Share for every 55 Equity Shares held)	405 Equity Shares were allotted to Charulata Shah, 405 Equity Shares were allotted to Ramesh Shah and 174 Equity Shares were allotted to Anuraag Shah.	984	10	8,642	Cash
May 6, 2015	Rights issue (in the ratio of one Equity Share for every 76 Equity Shares held)	713 Equity Shares were allotted to Ganapathy Subramaniam.	713	10	8,695.65	Cash
July 14, 2015	Rights issue (in the ratio of one Equity Share for every 30 Equity Shares held)	1,721 Equity Shares were allotted to Infina Finance Private Limited.	1,721	10	8,655.60	Cash
October 5, 2015	Rights issue (in the ratio of one Equity Share	776 Equity Shares were allotted to Richa Garg,	2,165	10	12,887	Cash

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
	for every 17 Equity Shares held)	186 Equity Shares were allotted to Nambirajan Seshadri, 155 Equity Shares were allotted to Ajay Doshi, 388 Equity Shares were allotted to Growth Securities Private Limited, 427 Equity Shares were allotted to Nirmal Commodities Broker Private Limited, 155 Equity Shares were allotted to Puneet Maheshwari and 78 Equity Shares were allotted to Piyush Maheshwari.				
April 5, 2016	Rights issue (in the ratio of one Equity Share for every 11 Equity Shares held)	2,638 Equity Shares were allotted to Vikas Malu and 2,062 Equity Shares were allotted to OPG Securities Private Limited.	4,700	10	16,491	Cash
June 25, 2016	Rights issue (in the ratio of one Equity Share for every 43 Equity Shares held)	2,000 Equity Shares were allotted to A&E Investment LLC.	2,000	10	9,900	Cash
December 21, 2016	Private placement	One Equity Share was allotted to Trifecta Venture Debt Fund I.	1	10	18,246	Cash
August 9, 2017	Private placement	100 Equity Shares were allotted to Indusage Technology Venture Fund I.	100	10	18,246	Cash
November 28, 2017	Private placement	89 Equity Shares were allotted to WRV II Mauritius, 11 Equity Shares were allotted to WRV II-B Mauritius, 100 Equity Shares were allotted to Qualcomm Asia Pacific Pte. Ltd. and 100 Equity Shares were allotted to Infosys Limited.	300	10	18,246	Cash
December 5, 2019	Private placement(1)	630 partly paid Equity Shares were allotted to Ganapathy Subramaniam, and 470 partly paid Equity Shares were allotted to Dhruv Gupta.	1,100	10	18,484	Cash
September 30, 2020	Exercise of stock option pursuant to ESOP 2018	67 Equity Shares were allotted to Amarpreet Singh.	67	10	10	Cash
December 7, 2020	Exercise of stock option	108 Equity Shares were allotted to Deshraj Singh.	108	10	10	Cash

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
	pursuant to ESOP 2018					
January 21, 2021	Exercise of stock option pursuant to ESOP 2018	81 Equity Shares were allotted to Amit Shrishrimal and 44 Equity Shares were allotted to Naveen Navlani.	125	10	10	Cash
July 9, 2021	Exercise of stock option pursuant to ESOP 2018	90 Equity Shares were allotted to Amarpreet Singh and 75 Equity Shares were allotted to Kruthi Aramanamada Narendra.	165	10	10	Cash
August 13, 2021	Exercise of stock option pursuant to ESOP 2018	163 Equity Shares were allotted to Stephen Anand.	163	10	10	Cash
September 8, 2021	Exercise of stock option pursuant to ESOP 2018	87 Equity Shares were allotted to Amit Shrishrimal and 55 Equity Shares were allotted to Naveen Navlani.	142	10	10	Cash
Issue of equity shares in the last one year preceding the date of this Red Herring Prospectus						
June 24, 2022	Exercise of stock option pursuant to ESOP 2018	19 Equity Shares were allotted to Krishan Kumar and 45 Equity Shares were allotted to Tushar Hindlekar.	64	10	10	Cash
December 6, 2022	Allotment pursuant to conversion of warrants	107 Equity Shares were allotted to each of Blacksoil Capital Private Limited, Blue Ashva Sampada Fund and Blacksoil India Credit Fund.	321	10	41,976	Cash
December 14, 2022	Exercise of stock option pursuant to ESOP 2018	134 Equity Shares were allotted to Deepak Karoshi, 37 Equity Shares were allotted to Nupur Seth, 117 Equity Shares were allotted to Amit Shrishrimal, 690 Equity Shares were allotted to Vishal Saxena, 141 Equity Shares were allotted to Kruthi Aramanamada, 55 Equity Shares were allotted to Naveen Navlani, 32 Equity Shares were allotted to Ezhilan Nanmaran, 76 Equity Shares were allotted to Inderjeet Singh Bhalla, and 45 Equity Shares were allotted to Somil Gautam.	1,327	10	10	Cash
December 16, 2022	Bonus issue in the ratio of 225	3,670,650 Equity Shares were allotted to Ankit	20,747,700	10	N.A	N.A

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
	Equity Share for every one Equity Share held.	Mehta, 3,567,375 Equity Shares were allotted to Rahul Singh, 3,531,375 Equity Shares were allotted to Ashish Bhat, 1,431,000 Equity Shares were allotted to Vipul Joshi, 553,725 Equity Shares were allotted to Florintree Enterprise LLP, 20,025 Equity Shares were allotted to Celesta Capital II Mauritius, 22,500 Equity Shares were allotted to Indusage Technology Venture Fund I, 1,057,050 Equity Shares were allotted to Sujata Vemuri, 1,056,825 Equity Shares were allotted to Ravi Bhagavatula, 22,500 Equity Shares were allotted to Infosys Limited, 22,500 Equity Shares were allotted to Qualcomm Asia Pacific Pte. Ltd., 790,875 Equity Shares were allotted to Infina Finance Private Limited, 468,675 Equity Shares were allotted to Ganapathy Subramaniam, 593,550 Equity Shares were allotted to Vikas Malu, 2,475 Equity Shares were allotted to Celesta Capital II B Mauritius, 450,000 Equity Shares were allotted to A&E Investment LLC, 385,650 Equity Shares were allotted to Amardeep Singh, 289,125 Equity Shares were allotted to Dhruv Gupta, 264,825 Equity Shares were allotted to Agarwal Trademart Private Limited, 236,250 Equity Shares were allotted to Ashish Gupta, 213,525 Equity Shares were allotted to Ajay Doshi, 204,300 Equity Shares were allotted to Richa Garg, 174,150 Equity Shares were allotted to Devansh				

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Gupta, 166,725 Equity Shares were allotted to Nambirajan Seshadri, 144,675 Equity Shares were allotted to Charulata C. Shah, 112,950 Equity Shares were allotted to Naresh Malhotra, 99,225 Equity Shares were allotted to Society for Innovation and Entrepreneurship, 95,850 Equity Shares were allotted to Galiakotwala Engineering Company Private Limited, 91,125 Equity Shares were allotted to Ramesh Shah, 91,125 Equity Shares were allotted to Shahjikumar Devakar, 78,075 Equity Shares were allotted to Deepak Sachdeva, 225 Equity Shares were allotted to Trifecta Venture Debt Fund I, 51,750 Equity Shares were allotted to Sundararajan K. Pandalgudi, 39,150 Equity Shares allotted to Anuraag Shah, 64,125 Equity Shares were allotted to Amit Shrishrimal, 35,325 Equity Shares were allotted to Amarpreet Singh, 34,875 Equity Shares were allotted to Puneet Maheshwari, 26,100 Equity Shares were allotted to R. Laxman, 24,300 Equity Shares were allotted to Deshraj Singh, 24,075 Equity Shares were allotted to Blacksoil Capital Private Limited, 24,075 Equity Shares were allotted to Blacksoil India Credit Fund, 24,075 Equity Shares were allotted to Blue Ashva Sampada Fund, 22,500 Equity Shares were allotted to Bharat Jaisinghani, 22,500 Equity Shares were allotted to Nikhil Jaisinghani, 34,650 Equity Shares were allotted to Naveen				

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Navlani, 18,225 Equity Shares were allotted to Bhavin Shah, 18,225 Equity Shares were allotted to Ramakrishna K.V, 17,550 Equity Shares were allotted to Piyush Maheshwari, 17,550 Equity Shares were allotted to Prashant Puri, 48,600 Equity Shares were allotted to Kruthi Aramanamada, 7,875 Equity Shares were allotted to Ashwin Limaye, 7,875 Equity Shares were allotted to Swati Trehan, 10,350 Equity Shares were allotted to Rahul Shah, 10,125 Equity Shares were allotted to Tushar Namdev Hindlekar, 9,000 Equity Shares were allotted to Amita Desai, 6,750 Equity Shares were allotted to Meghaa Karnani, 6,750 Equity Shares were allotted to Don Bosco Sequeira, 4,275 Equity Shares were allotted to Krishan Kumar, 30,150 Equity Shares were allotted to Deepak Karoshi, 8,325 Equity Shares were allotted to Nupur Seth, 155,250 Equity Shares were allotted to Vishal Saxena, 7,200 Equity Shares were allotted to Ezhilan Nanmaran, 17,100 Equity Shares were allotted to Inderjeet Singh Bhalla and 10,125 Equity Shares were allotted to Somil Gautam.				
December 19, 2022(2)	Allotment pursuant to conversion of Series A1 CCPS	74,128 Equity Shares were allotted to Trifecta Venture Debt Fund I.	74,128	10	10	Cash(3)
January 24, 2023(4)	Exercise of stock option pursuant to ESOP 2018	415,840 Equity Shares were allotted to Ganapathy Subramaniam, 5,876 Equity Shares were allotted to Krishan Kumar, 904 Equity Shares were allotted to Vaibhav Baburao	423,524	10	10	Cash

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Usapkar and 904 Equity Shares to Anil Kumar Yadav				
May 13, 2023	Exercise of stock option pursuant to ESOP 2018	134,696 Equity Shares were allotted to Vishal Saxena, 475,730 Equity Shares were allotted to Vipul Joshi, 7,458 Equity Shares were allotted to Somil Gautam, 5,876 Equity Shares were allotted to Nupur Seth, 5,650 Equity Shares were allotted to Naveen Navlani, 30,284 Equity Shares were allotted to Dhirendra Sarup, 7,232 Equity Shares were allotted to Ezhilan Nanmaran, 2,486 Equity Shares were allotted to Amol Suryawanshi and 2,034 Equity Shares were allotted to Avinash Gowda	671,446	10	10	Cash
June 7, 2023	Private Placement	178,515 Equity Shares were allotted to 360 ONE Special Opportunities Fund – Series 9 (earlier, IIFL Special Opportunities Fund – Series 9), 44,700 Equity Shares were allotted to 360 ONE Special Opportunities Fund – Series 10 (earlier, IIFL Special Opportunities Fund – Series 10), 223,214 Equity Shares were allotted to TATA AIG General Insurance Company Limited, 223,214 Equity Shares were allotted to Think Investments PCC and 223,214 Equity Shares were allotted to Motilal Oswal Midcap Fund	892,857	10	672.00	Cash
June 14, 2023	Allotment pursuant to conversion of Series A CCPS	2,050,950 Equity Shares were allotted to IndusAge Technology Venture Fund I; 1,220,852 Equity Shares were allotted to Qualcomm Asia Pacific Pte. Ltd, 3,688,998 Equity Shares were allotted to Celesta Capital II Mauritius, 439,118 Equity Shares were allotted to Celesta	8,620,770	10	80.73	Cash

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Capital II-B Mauritius and 1,220,852 Equity Shares were allotted to Infosys Limited.				
June 14, 2023	Allotment pursuant to conversion of Series B 1 CCPS	4,041,784 Equity Shares were allotted Florintree Enterprise LLP	4,041,784	10	230.09	Cash
		256,284 Equity Shares were allotted to Ganapathy Subramaniam	256,284		217.46	
June 14, 2023	Allotment pursuant to conversion of Series B CCPS	721,844 Equity Shares were allotted to Celesta Capital II Mauritius	721,844	10	185.69	Cash
		86,106 Equity Shares were allotted to Celesta Capital II-B Mauritius	86,106		185.37	
		228,938 Equity Shares were allotted to Indusage Technology Venture Fund I	228,938		185.63	
		164,076 Equity Shares were allotted to Qualcomm Asia Pacific Pte. Ltd	164,076		185.62	
		403,862 Equity Shares were allotted to Infosys Limited	403,862		185.71	
		269,166 Equity Shares were allotted to Infina Finance Private Limited	269,166		185.71	
		403,862 Equity Shares were allotted to Export Import Bank of India	403,862		185.71	

(1) *These Equity Shares were partly paid at the time of allotment and were subsequently made fully paid-up on December 5, 2022.*

(2) *These Series A1 CCPS were partly paid at the time of allotment on December 21, 2016 and were subsequently made fully paid-up on December 6, 2022. The allotment of 74,128 Equity Shares includes 73,800 Equity Shares allotted basis the bonus issuance on December 16, 2022.*

(3) *The consideration for such Equity Shares were partly paid at the time of allotment of partly paid Series A 1 CCPS and remaining consideration was paid at the time of conversion from partly paid to fully paid, with agreed terms of conversion.*

(4) *The allotment of 423,524 Equity Shares includes 421,650 Equity Shares allotted basis the bonus issuance on December 16, 2022.*

(b) **Preference share capital history of our Company**

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

2. ***Shares issued for consideration other than cash or by way of bonus issue***

Except as stated below, our Company has not issued any Equity Shares or Preference Shares for consideration other than cash or by way of bonus issue at any time since incorporation:

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
December 16, 2022	Bonus issue in the ratio of 225 Equity	3,670,650 Equity Shares were allotted to Ankit Mehta, 3,567,375 Equity	20,747,700	10	N.A	N.A

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
	Shares for every one Equity Share held	Shares were allotted to Rahul Singh, 3,531,375 Equity Shares were allotted to Ashish Bhat, 1,431,000 Equity Shares were allotted to Vipul Joshi, 553,725 Equity Shares were allotted to Florintree Enterprise LLP, 20,025 Equity Shares were allotted to Celesta Capital II Mauritius, 22,500 Equity Shares were allotted to Indusage Technology Venture Fund I, 1,057,050 Equity Shares were allotted to Sujata Vemuri, 1,056,825 Equity Shares were allotted to Ravi Bhagavatula, 22,500 Equity Shares were allotted to Infosys Limited, 22,500 Equity Shares were allotted to Qualcomm Asia Pacific Pte. Ltd., 790,875 Equity Shares were allotted to Infina Finance Private Limited, 468,675 Equity Shares were allotted to Ganapathy Subramaniam, 593,550 Equity Shares were allotted to Vikas Malu, 2,475 Equity Shares were allotted to Celesta Capital II-B Mauritius, 450,000 Equity Shares were allotted to A&E Investment LLC, 385,650 Equity Shares were allotted to Amardeep Singh, 289,125 Equity Shares were allotted to Dhruv Gupta, 264,825 Equity Shares were allotted to Agarwal Trademart Private Limited, 236,250				

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Equity Shares were allotted to Ashish Gupta, 213,525 Equity Shares were allotted to Ajay Doshi, 204,300 Equity Shares were allotted to Richa Garg, 174,150 Equity Shares were allotted to Devansh Gupta, 166,725 Equity Shares were allotted to Nambirajan Seshadri, 144,675 Equity Shares were allotted to Charulata C. Shah, 112,950 Equity Shares were allotted to Naresh Malhotra, 99,225 Equity Shares were allotted to Society for Innovation and Entrepreneurship, 95,850 Equity Shares were allotted to Galiakotwala Engineering Company Private Limited, 91,125 Equity Shares were allotted to Ramesh Shah, 91,125 Equity Shares were allotted to Shahjikumar Devakar, 78,075 Equity Shares were allotted to Deepak Sachdeva, 225 Equity Shares were allotted to Trifecta Venture Debt Fund I, 51,750 Equity Shares were allotted to Sundararajan K. Pandalgudi, 39,150 Equity Shares were allotted to Anuraag Shah, 64,125 Equity Shares were allotted to Amit Shrishrimal, 35,325 Equity Shares were allotted to Amarpreet Singh, 34,875 Equity Shares were allotted to Puneet Maheshwari, 26,100 Equity Shares were allotted to R.				

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Laxman, 24,300 Equity Shares were allotted to Deshraj Singh, 24,075 Equity Shares were allotted to Blacksoil Capital Private Limited, 24,075 Equity Shares were allotted to Blacksoil India Credit Fund, 24,075 Equity Shares were allotted to Blue Ashva Sampada Fund, 22,500 Equity Shares were allotted to Bharat Jaisinghani, 22,500 Equity Shares were allotted to Nikhil Jaisinghani, 34,650 Equity Shares were allotted to Naveen Navlani, 18,225 Equity Shares were allotted to Bhavin Shah, 18,225 Equity Shares were allotted to Ramakrishna K.V, 17,550 Equity Shares were allotted to Piyush Maheshwari, 17,550 Equity Shares were allotted to Prashant Puri, 48,600 Equity Shares were allotted to Kruthi Aramanamada, 7,875 Equity Shares were allotted to Ashwin Limaye, 7,875 Equity Shares were allotted to Swati Trehan, 10,350 Equity Shares were allotted to Rahul Shah, 10,125 Equity Shares were allotted to Tushar Namdev Hindlekar, 9,000 Equity Shares were allotted to Amita Desai, 6,750 Equity Shares were allotted to Meghaa Karnani, 6,750 Equity Shares were allotted to Don Bosco Sequeira, 4,275 Equity Shares were allotted to				

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
		Krishan Kumar, 30,150 Equity Shares were allotted to Deepak Karoshi, 8,325 Equity Shares were allotted to Nupur Seth, 155,250 Equity Shares were allotted to Vishal Saxena, 7,200 Equity Shares were allotted to Ezhilan Nanmaran, 17,100 Equity Shares were allotted to Inderjeet Singh Bhalla and 10,125 Equity Shares were allotted to Somil Gautam.				

3. ***Shares issued out of revaluation reserves***

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

4. ***Issue of Equity Shares pursuant to Sections 230 to 234 of the Companies Act, 2013***

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.

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

Except as disclosed above '- ***Equity Share capital history of our Company***' and '***Preference share capital history of our Company***' on pages 76 and 84, respectively, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus.

6. ***Issue of Equity Shares under employee stock option schemes***

For details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the employee stock option schemes, see ***'– Equity Share Capital history of our Company***' and ***'– Employee Stock Option Scheme***' on pages 76 and 97, respectively.

7. ***History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution)***

As on the date of this Red Herring Prospectus, our Promoters hold, in aggregate, 10,817,264 Equity Shares, which constitute 28.39 % of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoters and members of the Promoter Group are in dematerialised form. The details regarding our Promoters' shareholding are set forth below.

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

Set forth below is the build-up of our Promoters' shareholding since the incorporation of our Company.

Date of allotment / transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer Equity Share capital	% of the pre-Offer Equity Share capital (on a fully diluted basis)	% of the post-Offer Equity Share capital*
Ankit Mehta								
February 8, 2007	3,400	10	10	Cash	Initial subscription to the Memorandum of Association.	0.01	0.01	[●]
March 31, 2007	(136)	10	10	Cash	Transfer of equity shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
January 27, 2009	544	10	10	Cash	Further issue of shares.	Negligible	Negligible	[●]
March 31, 2009	(544)	10	10	Cash	Transfer of Equity Shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
December 31, 2009	13,056	10	10	Cash	Further issue of shares.	0.03	0.03	[●]
December 20, 2011	(1)	10	10	Cash	Transfer of Equity Shares to Bhanwaridevi Phophaliya.	Negligible	Negligible	[●]
	(1)	10	10	Cash	Transfer of Equity Shares to Ritesh Burad.	Negligible	Negligible	[●]
June 29, 2013	(1)	10	10	Cash	Transfer of Equity Shares to N K Maheshwari.	Negligible	Negligible	[●]
	(1)	10	10	Cash	Transfer of Equity Shares to Hariram Chowdhury.	Negligible	Negligible	[●]
	(1)	10	10	Cash	Transfer of Equity Shares to Madhu Gadodia.	Negligible	Negligible	[●]
	(1)	10	10	Cash	Transfer of Equity Shares to Madhu Sewlani.	Negligible	Negligible	[●]
October 10, 2014	1	10	10	Cash	Transfer of Equity Shares from N K Maheshwari.	Negligible	Negligible	[●]
	1	10	10	Cash	Transfer of Equity Shares from Hariram Chowdhury.	Negligible	Negligible	[●]
	1	10	10	Cash	Transfer of Equity Shares from Madhu Gadodia.	Negligible	Negligible	[●]
	1	10	10	Cash	Transfer of Equity Shares from Madhu Sewlani.	Negligible	Negligible	[●]
	1	10	10	Cash	Transfer of Equity Shares from Jaichand Khandani.	Negligible	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer Equity Share capital	% of the pre-Offer Equity Share capital (on a fully diluted basis)	% of the post-Offer Equity Share capital*
June 25, 2016	(145)	10	12,874	Cash	Transfer of Equity Shares to Satyan Malhotra.	Negligible	Negligible	[●]
November 24, 2021	140	10	25,000	Cash	Transfer of Equity Shares from Amardeep Singh.	Negligible	Negligible	[●]
December 16, 2022	3,670,650	10	N.A	N.A	Bonus issue in the ratio of 225 Equity Share for every one Equity Share held.	9.63	9.46	[●]
Total (A)	**3,686,964**					**9.68**	**9.51**	**[●]**
Rahul Singh								
February 8, 2007	3,300	10	10	Cash	Initial subscription to the Memorandum of Association.	0.01	0.01	[●]
March 31, 2007	(132)	10	10	Cash	Transfer of Equity Shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
January 27, 2009	528	10	10	Cash	Further issue of shares.	Negligible	Negligible	[●]
March 31, 2009	(267)	10	10	Cash	Transfer of Equity Shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
	(261)	10	10	Cash	Transfer of Equity Shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
December 31, 2009	12,672	10	10	Cash	Further issue of shares.	0.03	0.03	[●]
August 24, 2012	(1)	10	10	Cash	Transfer of Equity Shares to Gaurav Rajendra.	Negligible	Negligible	[●]
June 29, 2013	(1)	10	10	Cash	Transfer of Equity Shares to Chandrakant Shah.	Negligible	Negligible	[●]
October 10, 2014	1	10	10	Cash	Transfer of Equity Shares from Chandrakant Shah.	Negligible	Negligible	[●]
June 25, 2016	(145)	10	12,874	Cash	Transfer of Equity Shares to Satyan Malhotra.	Negligible	Negligible	[●]
December 21, 2016	1	10	10	Cash	Transfer of Equity Shares from Gaurav Rajendra.	Negligible	Negligible	[●]
November 24, 2021	160	10	25,000	Cash	Transfer of Equity Shares from Amardeep Singh.	Negligible	Negligible	[●]
December 16, 2022	3,567,375	10	N.A	N.A	Bonus issue in the ratio of 225 Equity Shares for every one Equity Share held.	9.36	9.20	[●]
Total (B)	**3,583,230**					**9.41**	**9.24**	**[●]**
Ashish Bhat								
February	3,300	10	10	Cash	Initial subscription	0.01	0.01	[●]

Date of allotment / transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer Equity Share capital	% of the pre-Offer Equity Share capital (on a fully diluted basis)	% of the post-Offer Equity Share capital*
8, 2007					to the Memorandum of Association.			
March 31, 2007	(132)	10	10	Cash	Transfer of Equity Shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
January 27, 2009	528	10	10	Cash	Further issue of shares.	Negligible	Negligible	[●]
March 31, 2009	(528)	10	10	Cash	Transfer of Equity Shares to Society for Innovation and Entrepreneurship.	Negligible	Negligible	[●]
December 31, 2009	12,672	10	10	Cash	Further issue of shares.	0.03	0.03	[●]
August 24, 2012	(1)	10	10	Cash	Transfer of Equity Shares to Shaikh Shahid.	Negligible	Negligible	[●]
June 29, 2013	(1)	10	10	Cash	Transfer of Equity Shares to Seema Maheshwari.	Negligible	Negligible	[●]
October 10, 2014	1	10	10	Cash	Transfer of Equity Shares from Shaikh Shahid.	Negligible	Negligible	[●]
June 25, 2016	(145)	10	12,874	Cash	Transfer of Equity Shares to Satyan Malhotra.	Negligible	Negligible	[●]
December 21, 2016	1	10	10	Cash	Transfer of Equity Shares from Seema Maheswari.	Negligible	Negligible	[●]
December 16, 2022	3,531,375	10	N.A	N.A	Bonus issue in the ratio of 225 Equity Shares for every one Equity Share held.	9.27	9.10	[●]
Total	**3,547,070**					**9.31**	9.14	[●]
Total (A+B+C)	**10,817,264**					**28.39**	27.89	[●]

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

As of the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

b) *Shareholding of our Promoters and the member of our Promoter Group*

Name of shareholder	Pre-Offer				Post-Offer	
	Number of Equity Shares	Percentage of pre-Offer Equity Share capital	Number of Equity Shares (on a fully diluted basis)	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)	Number of Equity Shares	Percentage of post-Offer Equity Share capital*
Promoters						
Ankit Mehta	3,686,964	9.68	3,686,964	9.51	[●]	[●]
Rahul Singh	3,583,230	9.41	3,583,230	9.24	[●]	[●]
Ashish Bhat	3,547,070	9.31	3,547,070	9.14	[●]	[●]
Total (A)	**10,817,264**	**28.39**	**10,817,264**	**27.89**	[●]	[●]

Name of shareholder	Pre-Offer				Post-Offer	
	Number of Equity Shares	Percentage of pre-Offer Equity Share capital	Number of Equity Shares (on a fully diluted basis)	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)	Number of Equity Shares	Percentage of post-Offer Equity Share capital*
Promoter Group						
Sujata Vemuri	1,061,748	2.79	1,061,748	2.74	[●]	[●]
Ravi Bhagavatula	1,061,522	2.79	1,061,522	2.74	[●]	[●]
Total (B)	**2,123,270**	**5.58**	**2,123,270**	**5.48**	[●]	[●]
Total (A+B)	**12,940,534**	**33.97**	**12,940,534**	**33.37**	[●]	[●]

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

Except as disclosed above, as on the date of this Red Herring Prospectus, none of the members of the Promoter Group hold any Equity Shares.

c) *Details of minimum Promoters' contribution locked in for eighteen months or any other period as may be prescribed under applicable law*

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of eighteen months or any other period as may be prescribed under applicable law, from the date of Allotment ("**Promoter's Contribution**"). Our Promoter's shareholding in excess of 20% shall be locked in for a period of six months from the Allotment. As on the date of this Red Herring Prospectus, our Promoters hold 10,817,264 Equity Shares, constituting 28.39% of our Company's issued, subscribed and paid-up Equity Share capital, all of which are eligible for Promoters' Contribution.

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

The details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoter's contribution for a period of 18 months, from the date of Allotment as Promoters' Contribution are as provided below:

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares locked-in**	Date of allotment/ transfer#	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	Nature of transaction	% of the post-Offer paid-up Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.
 # Equity Shares were fully paid-up on the date of allotment/acquisition.
*** Subject to finalisation of Basis of Allotment.*

The Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In particular, these Equity Shares do not and shall not consist of:

(i) Equity Shares acquired during the three years preceding the date of this Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

(ii) Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

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

(iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

d) Details of share capital locked-in for six months or any other period as may be prescribed under applicable law

In terms of Regulation 17 of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked-in as above and Equity Shares issued by our Company to Eligible Employees (or such persons as permitted under the SEBI SBEB Regulations/the ESOP Plan 2018) pursuant to exercise of options by the eligible employees, whether currently employees or not, in accordance with the ESOP Plan 2018, the entire pre-Offer Equity Share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoter's Contribution), shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked-in for a period of six months from the date of Allotment or any other period as may be prescribed under applicable law. Further, in terms of Regulation 17 of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided (i) that such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor.

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.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, may be transferred to Promoters or members of the Promoter Group or to any new Promoters, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. 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 Offer or any other period as may be prescribed under applicable law, may be transferred to any other person holding Equity Shares which are locked -in, subject to the continuation of the lock-in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

e) Lock-in of Equity Shares Allotted to Anchor Investors

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

f) Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, the members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of this Red Herring Prospectus.

None of our Promoters, members of our Promoter Group, our Directors or their relatives have sold or purchased any Equity Shares of our Company during the six months preceding the date of this Red Herring Prospectus.

8. ***Our shareholding pattern***

The table below represents the shareholding pattern of our Company as on the date of this 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 Equity 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)[1]**	**Number of Locked in Equity Shares (XII)**		**Number of Equity Shares pledged or otherwise encumbered (XIII)**		**Number of Equity Shares held in dematerialized form (XIV)**
								Number of voting rights: Class eg: Equity Shares	**Class eg: Others**	**Total**	**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)**	
(A)	Promoters and Promoter Group	5	12,940,534	-	-	12,940,534	33.97	12,940,534	-	12,940,534	33.97	-	33.97	-	-	-	-	12,940,534
(B)	Public	70	25,158,025	-	-	25,158,025	66.03	25,158,025	-	25,158,025	66.03	-	66.03	-	-	-	-	25,158,025
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**75**	**38,098,559**	**-**	**-**	**38,098,559**	**100**	**38,098,559**		**38,098,559**	**100**		**100**	**-**	**-**	**-**	**-**	**38,098,559**

[1] *Vested options have not been considered for calculation of shareholding.*

9. As on the date of this Red Herring Prospectus, our Company has 75 equity shareholders.

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

Except as stated below, none of our Directors or Key Managerial Personnel or Senior Management hold any Equity Shares.

Name	Number of Equity Shares	Percentage of pre-Offer Equity Share capital	Number of Equity Shares (on a fully diluted basis)	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)
Ankit Mehta	3,686,964	9.68	3,686,964	9.51
Rahul Singh	3,583,230	9.41	3,583,230	9.24
Ashish Bhat	3,547,070	9.31	3,547,070	9.14
Ganapathy Subramaniam	1,142,882	3.00	1,142,882	2.95
Vipul Joshi	1,913,090	5.02	1,913,090	4.93
Vishal Saxena	290,636	0.76	290,636	0.75
Total	**14,163,872**	**37.18**	**14,163,872**	**36.52**

11. ***Details of shareholding of the major shareholders of our Company***

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

S. No.	Name of Shareholder	Number of Equity Shares	Number of Equity Shares (on a fully diluted basis)[(1)]	Percentage of pre-Offer Equity Share capital (on a fully diluted basis))[(1)]
1.	Florintree Enterprise LLP	4,597,970	4,597,970	11.85
2.	Celesta Capital II Mauritius	4,430,956	4,430,956	11.42
3.	Ankit Mehta	3,686,964	3,686,964	9.51
4.	Rahul Singh	3,583,230	3,583,230	9.24
5.	Ashish Bhat	3,547,070	3,547,070	9.14
6.	Indusage Technology Venture Fund I	2,302,488	2,302,488	5.94
7.	Infosys Limited	1,647,314	1,647,314	4.25
8.	Vipul Joshi	1,913,090	1,913,090	4.93
9.	Qualcomm Asia Pacific Pte. Ltd.	1,407,528	1,407,528	3.63
10.	Ganapathy Subramaniam	1,142,882	1,142,882	2.95
11.	Infina Finance Private Limited	1,063,556	1,063,556	2.74
12.	Sujata Vemuri	1,061,748	1,061,748	2.74
13.	Ravi Bhagavatula	1,061,522	1,061,522	2.74
14.	Vikas Malu	596,188	596,188	1.54
15.	Celesta Capital II-B Mauritius	527,710	527,710	1.36
16.	A&E Investment LLC	452,000	452,000	1.17
17.	Export Import Bank of India	403,862	403,862	1.04
18.	Amardeep Singh	387,364	387,364	1.00

(1) Includes vested options pursuant to ESOP 2018.

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares	Number of Equity Shares (on a fully diluted basis)(1)	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)
1.	Florintree Enterprise LLP	556,186	4,597,970	12.13
2.	Celesta Capital II Mauritius	20,114	4,430,956	11.69
3.	Ankit Mehta	3,686,964	3,686,964	9.73
4.	Rahul Singh	3,583,230	3,583,230	9.46
5.	Ashish Bhat	3,547,070	3,547,070	9.36
6.	Indusage Technology Venture Fund I	22,600	2,302,488	6.08
7.	Infosys Limited	22,600	1,647,314	4.35
8.	Vipul Joshi	1,913,090	1,913,090	5.05
9.	Qualcomm Asia Pacific Pte. Ltd.	22,600	1,407,528	3.71
10.	Infina Finance Private Limited	794,390	1,063,556	2.81
11.	Sujata Vemuri	1,061,748	1,061,748	2.80
12.	Ravi Bhagavatula	1,061,522	1,061,522	2.80
13.	Ganapathy Subramaniam	886,598	1,142,882	3.02
14.	Vikas Malu	596,188	596,188	1.57
15.	Celesta Capital II-B Mauritius	2,486	527,710	1.39
16.	A&E Investment LLC	452,000	452,000	1.19
17.	Export Import Bank of India	Nil	403,862	1.07
18.	Amardeep Singh	387,364	387,364	1.02

(1) Includes 15,196,692 Equity Shares to be issued pursuant to the conversion of 38,145 Series A CCPS, 19,018 Series B1 CCPS and 10,079 Series B CCPS prior to filing of the Red Herring Prospectus with the RoC in compliance with the requirements under Regulation 5(2) of the SEBI ICDR Regulations and vested options pursuant to ESOP 2018.

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares	Number of Equity Shares (on a fully diluted basis)(1)	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)
1.	Celesta Capital II Mauritius	89	19,606	12.88
2.	Ankit Mehta	16,314	16,314	10.72
3.	Rahul Singh	15,855	15,855	10.42
4.	Ashish Bhat	15,695	15,695	10.31
5.	Sujata Vemuri	9,395	9,395	6.17
6.	Indusage Technology Venture Fund I	100	10,188	6.69
7.	Vipul Joshi	6,360	6,360	4.18
8.	Infosys Limited	100	7,289	4.79
9.	Qualcomm Asia Pacific Pte. Ltd.	100	6,228	4.09
10.	Infina Finance Private Limited	3,515	4,706	3.09
11.	Vikas Malu	2,638	2,638	1.73
12.	Florintree Enterprise LLP	2,461	11,210	7.37
13.	A&E Investment LLC	2,000	2,000	1.31

S. No.	Name of Shareholder	Number of Equity Shares	Number of Equity Shares (on a fully diluted basis)[(1)]	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)
14.	Celesta Capital II-B Mauritius	11	2,335	1.53
15.	Amardeep Singh	1,714	1,714	1.13
16.	Ganapathy Subramaniam	2,083	3,217	2.11
17.	Export Import Bank of India	Nil	1,787	1.17

(1) Includes 58,435 Equity Shares to be issued pursuant to the conversion of 38,145 Series A CCPS, 328 Series A1 CCPS, 10,079 Series B CCPS and 9,883 Series B1 CCPS, prior to filing of this Red Herring Prospectus with the RoC in compliance with the requirements under Regulation 5(2) of the SEBI ICDR Regulations and vested options pursuant to ESOP 2018. Computation of fully diluted basis excludes CCDs as the conversion rate of such CCDs was contingent on future event and accordingly, was undeterminable on that date.

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares	Number of Equity Shares (on a fully diluted basis)[(1)]	Percentage of pre-Offer Equity Share capital (on a fully diluted basis)
1.	Celesta Capital II Mauritius	89	16,412	12.59
2.	Ankit Mehta	16,174	16,174	12.40
3.	Ashish Bhat	15,695	15,695	12.04
4.	Rahul Singh	15,695	15,695	12.04
5.	Sujata Vemuri	9,995	9,995	7.66
6.	Indusage Technology Venture Fund 1	100	9,175	7.04
7.	Vipul Joshi	6,260	6,260	4.80
8.	Infosys Limited	100	5,502	4.22
9.	Qualcomm Asia Pacific Pte. Ltd.	100	5,502	4.22
10.	Infina Finance Private Limited.	3,515	3,515	2.70
11.	Vikas Malu	2,638	2,638	2.02
12.	Grow Max Ventures LLP	2,461	2,461	1.89
13.	Amardeep Singh	2,314	2,314	1.77
14.	A&E Investment LLC	2,000	2,000	1.53
15.	Celesta Capital II-B Mauritius	11	1,954	1.50
16.	Richa Garg	1,816	1,816	1.39
17.	Ganapathy Subramaniam	1,343	1,343	1.03

(1) Includes 38,473 Equity Shares to be issued pursuant to the conversion of 38,145 Series A CCPS and 328 Series A1 CCPS prior to filing of this Red Herring Prospectus with the RoC in compliance with the requirements under Regulation 5(2) of the SEBI ICDR Regulations and vested options pursuant to ESOP 2018. Computation of fully diluted basis excludes CCDs as the conversion rate of such CCDs was contingent on future event and accordingly, was undeterminable on that date.

12. Employee Stock Option Scheme

As on the date of this Red Herring Prospectus, our Company has only one ESOP scheme, namely Employee Stock Option Scheme 2018 ("**ESOP 2018**"). Our Company, pursuant to the resolutions passed by the Board of Directors on April 10, 2018, and our Shareholders on May 2, 2018, adopted the ESOP 2018. The ESOP 2018 was most recently amended pursuant to the resolution passed by the Board of Directors on May 29, 2023 and our Shareholders' on June 6, 2023. ESOP 2018 is in compliance with the SEBI SBEB & SE Regulations.

The details of the ESOP 2018, as certified by Ramanand & Associates, Chartered Accountants through a certificate dated June 19, 2023 are as follows:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 – The date of this RHP
Total options outstanding (including vested and unvested options) as at the beginning of the period	2,147,000	2,194,234	2,493,684	2,825,000
Total options granted during the year/period	187,580	484,770	1,079,150	-
Vesting period (years)	Vesting Period ranging from one year to five years	Vesting Period ranging from one year to five years	Vesting Period ranging from one year to five years	Vesting Period ranging from one year to five years
Total options exercised	67,800	106,220	737,890	671,446
Exercise price of options in ₹ (as on the date of grant of options)	10.00	10.00	10.00	10.00
Options forfeited/ lapsed/ cancelled	72,546	79,100	9,944	-
Variation of terms of options	The indicative minimum Vesting Period of an Option for the Option Grantees may be 4 (Four) years from the Grant Date. Accordingly, upon vesting of the Options and subject to the provisions of the ESOP Scheme, the Option Grantees shall be entitled to Exercise Options granted to them. The Vesting of Options granted to the Option Grantees may occur in the manner provided as below: End of 1st year from the Grant Date: 10% End of 2nd year from the Grant Date: 20% End of 3rd year from the Grant Date: 30% End of 4th year from the Grant Date: 40% Notwithstanding the terms as given above, the Company can have a varying Vesting cycle for selective Option Grantees, subject to the Applicable Law for the time being and the terms of such varying Vesting cycle will be set forth in the Grant Letter issued to such Option Grantees.			
Money realized by exercise of options (in ₹)	3,000	4,700	32,650	29,710
Total number of options outstanding in force (excluding options not granted)	2,194,234	2,493,684	2,825,000	2,153,554
Total options vested in each Fiscal/period	315,044	469,628	920,498	515,280
Options exercised (since implementation of the ESOP scheme)	67,800	174,020	911,910	1,583,356
Total number of Equity Shares that would arise as a result of exercise of granted options	2,194,234	2,493,684	2,825,000	2,153,554
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and				

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 – The date of this RHP
the price of the underlying share in market at the time of grant of the option:				
Method of Valuation	Black-Scholes Valuation Model			
Expected Volatility (%)	50.00-72.08	49.00-72.08	49.00-72.08	49.00-72.08
Dividend Yield (%)	Nil	Nil	Nil	Nil
Average remaining contractual life of the options outstanding at end of the year (Years)	6-15years	6-15years	6-15 years	6-15years
Risk free interest rate	6.07-7.75	6.07-7.75	6.07-7.75	6.07-7.75
Weighted average exercise prices and weighted average fair value of options where:	85.22	227.02	242.34	242.34
Exercise price equals market price on the date of grant - Fair Value of options granted (₹) - Exercise Price (₹)	10.00	10.00	10.00	10.00
Employee wise details of options granted to:				

(i) Key managerial personnel and senior management

Name of employee	Total Number of Options Granted	Number of Options Outstanding as on the date of this Red Herring Prospectus
Vipul Joshi	475,730	-
Vishal Saxena	694,724	4,04,088
Ganapathy Subramaniam	415,840	-
Mathew Cyriac	403,410	403,410
Total	**1,989,704**	**8,07,498**

(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Name of employee	Total Number of Options Granted	Number of Options Outstanding as on the date of this Red Herring Prospectus
From April 01, 2023 to the date of this Red Herring Prospectus		
Nil		
Fiscal Year ended 2023		
Vipul Joshi	475,730	-
Mathew Cyriac	403,410	403,410
Fiscal Year ended 2022		
Ezhilan Nanmaran	28,928	14,464
Ganapathy Subramaniam	415,840	-
Fiscal Year ended 2021		
Tushar Namdev Hindlekar	29,380	19,210
Somil Gautam	29,380	11,752
Nupur Seth	23,504	9,266
Naveen Navlani	10,622	-
Amit Shrishrimal	10,622	-
Kruthi Aramanamada	23,504	11,752
Vishal Saxena	21,244	-
Krishan Kumar	29,380	19,210

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 – The date of this RHP
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	415,840	879,140	Nil
Diluted earnings per share pursuant to the issue of equity shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'(₹)	Nil	13.13	8.12	Nil
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per equity share of our Company	Not applicable because our Company has accounted employee compensation in books using the fair value of options.			
Increase in loss for the year				
Revised EPS (₹)				
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEBSE Regulations had been followed, in respect of options granted in the last three years	Not applicable because company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations i.e., as per the Indian Accounting Standards.			
Increase in loss for the year				
Revised EPS (₹)				
Intention of key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their	Not Applicable because none of the Key Managerial Personnel or Whole-time Directors have expressed their intention to sell their Equity shares within three months after the listing of Equity Shares pursuant to the Offer.			

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 – The date of this RHP
shares within three months after the listing of Equity Shares pursuant to the Offer				
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not Applicable because none of our Director, Senior Management personnel or employee has expressed their intention to sell Equity Shares arising out of the ESOP 2018 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) within three months after the listing of Equity Shares pursuant to the Offer.			

Note:The figures in the table above have been updated as per the amendment in the ESOP 2018 pursuant to the resolution passed by the Board of Directors on May 29, 2023 and our Shareholders' on June 6, 2023 pursuant to the issuance of bonus shares in the ratio of 1:225 Equity Shares.

13. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of the Draft Red Herring Prospectus and this Red Herring Prospectus.

14. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares being offered through the Offer.

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

16. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company as on the date of this Red Herring Prospectus.

17. Except for the options granted pursuant to the ESOP 2018, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Red Herring Prospectus.

18. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, 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.

19. Except for the allotment of Equity Shares pursuant to (i) the Fresh Issue and (ii) exercise of employee stock options under ESOP 2018, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

20. Except for the Equity Shares to be allotted pursuant to (i) the Fresh Issue, and (ii) exercise of employee stock options under ESOP 2018, there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or

convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

21. The BRLMs, and any person related to the BRLMs or the Syndicate Member, cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or a FPI (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds sponsored by entities which are associate of the BRLMs.

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

23. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

24. Up to 13,112 Equity Shares aggregating up to ₹ [●] million (which shall not exceed 5% of the post-Offer equity share capital of our Company) shall be reserved for allocation to Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price (net of Employee Discount, if any, as applicable for the Employee Reservation Portion). Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000 (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 (net of Employee Discount) up to ₹ 500,000 (net of Employee Discount).

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 2,400.00 million by our Company and an Offer for Sale of up to 4,869,712 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. For details, see '***Summary of the Offer Document***' and '***The Offer***' on pages 20 and 61, respectively.

Offer for Sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale will be received by the Selling Shareholders and will not form part of the Net Proceeds. For further details, see '- ***Offer related Expenses***' on page 114.

Object of the Fresh Issue

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

1. Repayment/prepayment of certain indebtedness availed by our Company;
2. Funding working capital gap;
3. Investment in product development; and
4. General corporate purposes.

In addition, we expect to achieve the benefit of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's visibility and brand name amongst our existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company: (i) to undertake our existing business activities; and (ii) to undertake the proposed activities for which the funds are being raised by us in the Fresh Issue, as well as the activities towards which the loans proposed to be repaid or pre-paid from the Gross Proceeds were utilized.

Net Proceeds

After deducting the Offer related expenses from the Gross Proceeds, we estimate the net proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**"). The details of the Net Proceeds of the Offer are summarized in the table below.

S. No	Particulars	Estimated Amount (in ₹ million)
(a)	Gross Proceeds of the Fresh Issue	Up to ₹ 2,400.00 million(1)
(b)	Less: Offer Expenses in relation to the Fresh Issue(2)	[●](2)(3)
(c)	**Net Proceeds**	[●](3)

(1) Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.
*(2) See '- **Offer related Expenses**' on page 114.*
(3) To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing of the RoC.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below.

Particulars	Amount (in ₹ million)^
Repayment/prepayment of certain indebtedness availed by our Company	500.00
Funding working capital gap	1,350.00
Investment in product development	400.00
General corporate purposes (1)	[●]

Particulars	Amount (in ₹ million)^
Total Net Proceeds[(1)]	**[●]**

^ Includes the proceeds, received pursuant to the Pre-IPO Placement. Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million, which has been reduced from the size of the Fresh Issue and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.

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

Proposed schedule of implementation and deployment of Net Proceeds

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

(₹ in million)

S. No	Particulars	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2024[(2)]	Amount to be deployed from the Net Proceeds in Fiscal 2025[(2)]
1.	Repayment/prepayment of certain indebtedness availed by our Company	500.00	500.00	Nil
2.	Funding working capital gap	1,350.00	850.00	500.00
3.	Investment in product development	400.00	200.00	200.00
4.	General corporate purposes[(1)]	**[●]**	**[●]**	**[●]**
	Total Net Proceeds[(1)]	**[●]**	**[●]**	**[●]**

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

(2) Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million, which has been reduced from the size of the Fresh Issue and accordingly, the revised size of the Fresh Issue is upto ₹ 2,400.00 million.

The above-stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Red Herring Prospectus are based on (a) our current business plan and internal management estimates based on current market conditions; and (b) certificate from chartered accountant for certifying the working capital gap. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. For further details, see '***Risk Factors – 43. Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***' on page 49. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, our ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilization 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 – 44. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder's approval.***' on page 49.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and / or towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. However, in the event that estimated utilization out of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Further, in case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects, our Company may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of finance

The fund requirements for the Objects above are proposed to be entirely funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing internal accruals. 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.

Details of the Objects

1. Repayment/prepayment of certain indebtedness availed by our Company

Our Company has entered into various financing arrangements with banks and financial institutions. Our Company avails fund based and non-fund based facilities in the ordinary course of its business for purposes such as, *inter alia*, meeting our working capital gap or business requirements. The table below indicates our Company's working capital gap as of Fiscals 2023, 2022, and 2021, respectively:

Particulars	Amount (in ₹ million) In Fiscal 2023	In Fiscal 2022	In Fiscal 2021
Working capital gap	1,535.45	529.11	486.97

As on April 30, 2023, the aggregated outstanding borrowings of our Company amounted to ₹ 851.32 million on a consolidated basis. For further details, see '***Financial Indebtedness***' on page 370. Depending on the business requirements, our Company has availed sanctioned facilities at high levels in the past. For example, as at the last day of fourth quarter of Fiscal 2021, our Company has drawn loans to the extent of approximately 91% of the sanctioned limit. and as at the last day of third quarter of Fiscal 2022, our Company has drawn loans to the extent of approximately 85% of the sanctioned limit. Further, as at the last day of fourth quarter of Fiscal 2023, our Company has drawn loans to the extent of approximately 76% of the sanctioned limit.

Our Company proposes to utilize an estimated amount of ₹ 500.00 million from the Net Proceeds towards full or partial repayment/ prepayment of all or a portion of certain borrowings availed by our Company.

The table below indicates the debt service ratio, debt equity ratio and quick ratio of our Company as of March 31, 2023:

Particulars	As on March 31, 2023
Debt service ratio(1)	6.67
Debt equity ratio(2)	0.27
Quick ratio(3)	1.87

(1) Debt service ratio is calculated as net profit after taxes plus non-cash operating expenses (i.e. depreciation and other amortizations plus interest) divided by finance cost plus lease repayment plus principle repayment of long term borrowings during the period /years.
(2) Debt equity ratio is calculated as total debts (including government grants) divided by total equity (equity share capital plus other equity minus revaluation reserve minus capital redemption reserve).
(3) Quick ratio is calculated as cash and cash equivalents plus marketable securities plus short-term receivables divided by current liabilities.

The table below indicates interest amounts paid by our Company on the outstanding borrowings, for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Interest amount paid (in ₹ million) In Fiscal 2023	In Fiscal 2022	In Fiscal 2021
Interest amounts paid on the outstanding borrowings	37.24	49.09	9.46

In the past, the Company has also overdrawn the sanctioned limits because of business conditions. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. Our Company may choose to repay/ prepay certain borrowings availed further by our Company and/or draw down further funds under existing loans, other than those identified in the table below, which may include additional borrowings availed after the filing of this Red Herring Prospectus.

Given the nature of borrowing and the terms of repayment/prepayment, the aggregate outstanding borrowing amount may vary from time to time. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums or interest, such excessive amount shall be met from our internal accruals. If at the time of Allotment, any of the below mentioned loans are repaid or refinanced or if any additional credit facilities are availed or drawn down or further disbursements under the existing facilities are availed by our Company, then our Company may utilise the Net Proceeds for prepayment/ repayment of any such refinanced facilities or repayment of any additional facilities/ disbursements obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of certain borrowings, in part or in full, would not exceed ₹ 500.00 million.

In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Fiscal may be repaid / pre-paid by our Company in the subsequent Fiscal.

The following table provides details of certain borrowings availed by our Company as on March 31, 2023, out of which our Company proposes to pre-pay or repay, in full or in part, up to an amount aggregating to ₹ 500.00 million from the Net Proceeds:

S. No.	Name of the lender[3]	Nature of the facility	Purpose for which amount was utilised [1]	Amount sanctioned as on March 31, 2023 (in ₹ million)	Outstanding amount as per books of accounts as at March 31, 2023 (in ₹ million) [5]		Rate of interest as at March 31, 2023	Tenor (fund based facilities)	Repayment Schedule	Prepayment penalty conditions
					Fund based	Non-fund based				
1.	HDFC Bank Limited [15]	Fund based (working capital) and non-fund based	Working capital and for bank guarantee	592.75[6]	320.97 [12]	110.96	9.51%[2]	12 months until September 28, 2023	As per demand	4% or such rate as may be advised by the bank[9]
2.	Export-Import Bank of India[11] [16]	Fund based (working capital) and non-fund based	Working capital and for bank guarantee	750.00[7]	343.54 [13]	321.45	9.25%[3]	2 years from November 30, 2022	As per demand	Such rate as may be determined by the bank having regard to the then remaining maturity period of disbursement [10]
3.	Axis Bank Limited	Fund based (working capital) and	Working capital and for bank	300.00[8]	200.53 [14]	14.00	Repo rate +3.10%	1 year from May 5, 2022	As per demand	Not applicable

S. No.	Name of the lender[3]	Nature of the facility	Purpose for which amount was utilised [1]	Amount sanctioned as on March 31, 2023 (in ₹ million)	Outstanding amount as per books of accounts as at March 31, 2023 (in ₹ million) [5]		Rate of interest as at March 31, 2023	Tenor (fund based facilities)	Repayment Schedule	Prepayment penalty conditions
					Fund based	Non-fund based				
	(17)	non-fund based	guarantee				(4)			
	Total			**1,642.75**	**865.04**	**446.41**				

Note: We have an additional non-fund based facility from Union Bank of India. As of March 31, 2023, the sanctioned amount of the loan is ₹ 134.45 million and the outstanding amount as per books of accounts as at March 31, 2023 is ₹ 40.34 million. This facility is not proposed to be repaid from the Net Proceeds.

(1) *In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained the requisite certificate from our Statutory Auditors by way of their certificate dated June 19, 2023.*

(2) *Rate of interest according to renewed sanction letter dated January 31, 2023.*

(3) *Rate of interest according to sanction letter dated March 24, 2022. As per renewed sanction letter dated November 30, 2022, rate of interest will be conveyed while allocation of contracts under the limit closer to the date of disbursement.*

(4) *Rate of interest according to sanction letter dated June 16, 2022.*

(5) *Only fund based facilities are proposed to be repaid from the Net Proceeds.*

(6) *With fund-based limit of ₹ 250.00 million for cash credit and sub-limit of ₹ 90.00 million from non-fund based limit.*

(7) *Interchangeable with cash flow deficit funding of up to ₹ 500.00 million.*

(8) *With cash credit sublimit of ₹ 200.00 million.*

(9) *As per Master Facility Agreement dated December 14, 2021.*

(10) *As per Facilities Agreement dated March 28, 2022.*

(11) *Export Import Bank of India is also a Selling Shareholder.*

(12) *The outstanding amount pertains to cash credit limit.*

(13) *The outstanding amount pertains to cashflow deficit funding.*

(14) *The outstanding amount pertains to cash credit limit.*

(15) *Date of sanction letter is January 31, 2023.*

(16) *Date of sanction letter is November 30, 2022.*

(17) *Date of sanction letter is May 5, 2022 read with addendum dated June 16, 2022.*

Our Company requires funds from time to time to meet its business requirements. In addition to this, as the drone industry is expected to grow significantly in the future, our Company believes that its order book value will also increase. While our Company has ₹ 1,285.80 million of cash and cash equivalents (including investment in mutual funds and bonds) as at March 31, 2023, our Company requires funds to be available for other purposes such as furnishing bank guarantees in relation of fulfilment of purchase orders or to meet its other business requirements such as participation in upcoming bids/ tenders. Further, our Company also intends to selectively pursue strategic investment and acquisition opportunities that complement its growth strategies or strengthen or establish its presence in targeted domestic and overseas markets. Our Company is currently pursuing various acquisition opportunities and may utilize its available investments to fund such acquisitions/ investments.

Therefore, our Company has not utilized such existing cash or cash equivalents or available investments in mutual funds and bonds towards re-payment of existing working capital loans so as to ensure that funds are readily available to meet its ongoing business requirements.

Further, the 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 for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The selection and extent of the borrowings proposed to be prepaid and / or repaid as mentioned in the table above, is not determined and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed above in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/ or repayment.

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

For details in relation to the terms and conditions under the aforesaid loan agreements as well as restrictive covenants in relation thereto, see '***Financial Indebtedness***' and '***Risk Factors – 41. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations***' on pages 370 and 49, respectively.

2. Funding working capital gap

Our business is working capital intensive and we fund a majority of our working capital gap in the ordinary course of business from internal accruals and financing from various banks and financial institutions.

Our Company's working capital gap depends on multiple factors, including but not limited to the size and the timing of orders to be delivered, the size of the order book, customer payment terms, payment cycles of customers and the requirement of bank guarantees and margin money. We operate on a tender-based business model and are therefore required to furnish various bank guarantees, such as integrity pact bank guarantee, advance bank guarantee and performance bank guarantee, which can range up to 21% of the total contract value. To furnish the bank guarantees, we have sanctioned limits with the lenders, however it requires our Company to offer margin money in the form of lien-marked fixed deposits to the lenders, which can range from 5% to 7% of the total contract value. For certain bids, we may also be required to provide all the three kinds of bank guarantees mentioned above. Further, in cases where we have utilized the non-fund based limits, we may be required to submit the bank guarantees with 100% margin money until further sanction on limits is arranged. In Fiscal 2023, our Company was required to submit the margin money of ₹ 88.83 million in order to furnish bank guarantees amounting to ₹ 355.32 million for onward submission to the customers.

The table below indicates revenue from operations of our Company, for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Revenue from operations (in ₹ million)		
	In Fiscal 2023	**In Fiscal 2022**	**In Fiscal 2021**
Revenue from operations	1,860.07	1,594.39	347.18

The table below indicates the historical net working capital holding days of our Company, which have varied for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Number of days		
	In Fiscal 2023	**In Fiscal 2022**	**In Fiscal 2021**
Net working capital holding days(1)	301	121	512
i. inventory days	205	112	246
ii. including debtor (i.e., trade receivables) days	113	46	250
iii. creditor (i.e., trade payable) days	27	17	50

(1) Net working capital days is calculated as inventories plus trade receivables and other current assets minus the trade payables, other financials liabilities, other current liabilities, current provisions and current tax liabilities(net), divided by revenue from operations multiplied by 365 days.

Our Company's working capital gap has been increasing and we believe that it will continue to increase in the future. Our Company's outstanding order book was ₹ 1,922.72 million as on March 31, 2023. As per the 1Lattice Report, the global drone industry has witnessed a significant growth at a CAGR of 19% over 2018-2022 and is expected to grow even faster at a CAGR of 20% to be approximately US$ 51.4 billion in 2027. Further, the Indian drone market is projected to grow from US$ 43 million by Fiscal 2022 to US$ 812 million by Fiscal 2027, exhibiting a growth CAGR of 80% over Fiscals 2022-2027, as per the 1Lattice Report. As the drone industry is expected to grow significantly in the future and given our Company's market share (approximately 50% in Fiscal 2022 in the Indian UAS market, as per 1Lattice Report), we believe that our revenues and order book, and consequently requirement for working capital will also increase.

As on April 30, 2023, our Company has total sanctioned limit of working capital facilities of ₹ 1,777.21 million, including fund-based and non-fund based sub-limits, and has utilized ₹ 1,290.67 million, on a standalone basis. For details, see '***Financial Indebtedness***' on page 370. We propose to utilise ₹ 1,350.00 million from the Net Proceeds to fund the working capital for meeting business requirements of our Company in Fiscals 2024 and 2025 respectively.

(a) Existing working capital

Set forth below are the existing working capital of our Company as at the Fiscals ended March 31, 2023, 2022 and 2021, as derived from our financial information:

(in ₹ million)

Particulars	As at the Fiscal ended March 31, 2023	As at the Fiscal ended March 31, 2022	As at the Fiscal ended March 31, 2021
(A) Current assets			
(a) Inventories	1,046.82	489.14	234.20
(b) Financial assets			
i. Trade receivables	578.16	203.07	237.50
(c) Other current assets	511.91	239.47	125.81
Total current assets (A)	**2,136.89**	**931.68**	**597.51**
(B) Current liabilities			
(a) Financial liabilities			
i. Trade payables	139.89	74.93	47.47
ii. Other financial liabilities, provisions, other current liabilities and current tax liabilities	461.55	327.63	63.08
Total current liabilities (B)	**601.44**	**402.56**	**110.55**
(C) Total working capital gap (C=A-B)	**1,535.45**	**529.12**	**486.96**
(D) Funding Pattern (D=D1+D2)	1,535.45	529.12	486.96
(a) Internal accruals and equity (D1)	670.41	472.36	359.03
(b) Borrowings from banks, financial institution and non-banking financial companies (D2)	865.04	56.76	127.93

As certified by Ramanand & Associates, Chartered Accountants, pursuant to their certificate dated June 12, 2023.

(b) Future working capital

Taking into consideration various factors, such as (a) availability of internal accruals and the timing thereof, (b) borrowings from banks, financial institutions and non-banking financial companies, as well as (c) uncertainty pertaining to the exact timing of the launch of Offer (on account of market conditions), we propose to utilize ₹ 850.00 million of the Net Proceeds in Fiscal 2024 and the balance amount of ₹ 500.00 million of the Net Proceeds in Fiscal 2025, towards our working capital gap. The balance portion of working capital gap of our Company shall be met through internal accruals.

On the basis of our existing working capital gap and the projected working capital gap, our Board, pursuant to their resolution dated June 11, 2023, has approved the expected working capital gap for Fiscals 2024 and 2025 and the proposed funding of such working capital gap is stated below:

(In ₹ million)

Particulars	Fiscals	
	2024	2025
(A) Total working capital gap	**1,893.70**	**2,391.78**

Particulars	Fiscals	
	2024	2025
(B) Funding Pattern	**1,043.70**	**1,891.78**
(a) Internal accruals and equity	678.66	1,526.74
(b) Borrowings from banks, financial institutions and nonbanking financial companies	365.04	365.04
Amount proposed to be utilized from Net Proceeds	**850.00**	**500.00**

As certified by Ramanand & Associates, Chartered Accountants, pursuant to their certificate dated June 12, 2023.

Pursuant to its certificate dated June 12, 2023, Ramanand & Associates, Chartered Accountants, has compiled and confirmed the working capital estimates and working capital projections, as noted by the Board of Directors of our Company pursuant to its resolution dated June 11, 2023.

Holding levels and justifications for holding period levels derived from our Restated Consolidated Financial Information

The following table sets forth the details of the holding period (with days rounded to the nearest) considered for our Company for the years/ periods mentioned below:

Particulars	Number of days				
	For the Fiscal ended March 31, 2021 (Actual)	For the Fiscal ended March 31, 2022 (Actual)	For the Fiscal ended March 31, 2023 (Actual)	For the Fiscal ended March 31, 2024 (Estimated)	For the Fiscal ended March 31, 2025 (Estimated)
(A) Current assets					
(a) Inventory	246	112	205	122	121
(b) Financial assets					
i. Trade receivables	250	46	113	122	122
ii. Other current assets	132	55	100	32	29
(B) Current liabilities					
(a) Financial liabilities					
i. Trade payables	50	17	27	25	22
ii. Other financial liabilities, provisions, other current liabilities and current tax liabilities	66	75	91	59	56

As certified by Ramanand & Associates, Chartered Accountants, pursuant to their certificate dated June 12, 2023.

Justifications for holding period levels

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

Particulars	Number of days
Current assets	
Inventory	The holding levels of Inventories were 246 in Fiscal 2021, which improved to 112 days in Fiscal 2022, due to the billing of a large order during the third quarter of Fiscal 2022 which further resulted in decrease in the inventory level as at Fiscal ended March 31, 2022. At the end of Fiscal 2023, the Company had manufactured and kept ready for dispatch the large part of a material / significant order, which resulted in high inventory level of 205 days as on March 31, 2023. This order has been subsequently dispatched. The outstanding order book as on March 31, 2023 was ₹ 1,922.72 million, and our order book delivery timelines have in the past varied from two months to two years from the date of receipt of purchase orders. We expect the holding level in Fiscal 2024 to be 122 days on account of procurement of raw materials for existing and future orders as well as finished goods required to be kept in hand, and the holding level to improve there onwards with improving scale of the business.

Trade receivables	The trade receivable holding days were 250 days in Fiscal 2021, which was a COVID impacted period. The receivable days were reduced to 46 days in Fiscal 2022, due to the receipt of payment for a large order during the fourth quarter of Fiscal 2022, which resulted in decrease in the receivable days as at the year end. Receivable days are 113 days as of March 31, 2023 on account of billing done for orders shipped during the period. Basis expected business activity and orders expected to be shipped, we expect the receivable days in Fiscal 2024 to be 122 days and remain steady there onwards.
Other Current Assets	In Fiscal 2021, other current assets days were 132, largely on account of advances to vendors and balances with government authorities. This improved to 55 days in Fiscal 2022 on account of the substantial increase in the scale of our revenues. During Fiscal 2023, there were certain advances given to vendors to ensure timely procurement of raw materials as well as an accumulation of input tax credit against the goods manufactured leading to higher balances with government authorities, which resulted in the increase in holding period to 100 days as of March 31, 2023. These are expected to improve going forward to 32 days in Fiscal 2024, on account of expected invoicing of dispatched goods as well as the expected increase in the scale of the business versus the expected increase in the value of other current assets.
Current Liabilities	
Trade payables	Trade payables for the Fiscal 2021 was 50 days on account of the business operations being impacted by Covid-19. We expect going forward this to be in the range of 22-25 days which is similar to the trade payable days for Fiscal 2023 (27 days) and in line with the credit terms agreed with the suppliers and the projected business activity for the Fiscals 2024 and 2025.
Other financial liabilities, provisions, other current liabilities and current tax liabilities	In the past, the holding levels were 66 days in Fiscal 2021 and 75 days in Fiscal 2022, which increased to 91 days during Fiscal 2023. The increase to 91 days was on account of certain advances received from customers which are to be adjusted against the dispatch of goods to that customer. Thee holding levels are expected to be 56-59 days going forward, on account of the improving scale of the business and the expected timing of order shipments.

As certified by Ramanand & Associates, Chartered Accountants, pursuant to their certificate dated June 12, 2023.

3. Investment in product development

We cater to domestic and international customers across various segments, including, defence, and civil for surveillance, mapping, and surveying. We believe that our growth over the years is attributable to our industry leading design and technological capabilities, our ability to invent and deliver customer centric offerings (i.e., hardware, software and solutions) and our vertically integrated operations.

We intend to utilise ₹ 400.00 million from the Net Proceeds towards investment in product development opportunities. Continuous product development by way of product and market research is integral for growth in the UAV industry (*Source: 1Lattice Report*). Consequentially, many drone manufacturers are laying emphasis on product development and testing (*Source: 1Lattice Report*). Some of the legacy Indian defence players are currently spending between 6% and 8% of their revenue from operations on research and development related activities and investments (*Source: 1Lattice Report*). As product innovation is at the core of our growth, we emphasize on constant innovation and enhancing our products, including our technology stack. We constantly endeavour to develop both our existing portfolio and innovate new products. For instance, we intend to introduce newer versions of our UAVs such as NETRA, SWITCH, and Q6, wherein our focus will be on improving performance, reliability and autonomy of the UAVs. We also strive to create enterprise specific solutions for our customers, including upgrading the existing technology including in-house software and solutions. For details, see '***Our Business – Our Strategies - Continue to invest in product innovation, engineering and design***' on page 198.

Our indigenous capabilities allow us to design, develop, engineer and manufacture our UAVs in-house with a focus on performance, reliability and autonomy of the UAVs. We are a vertically integrated company equipped with in-house product development centre, which allows us to design, develop, engineer and manufacture our UAVs. We invest a significant amount of resources in enhancing the customer experience and reviewing needs of our customers, and expanding our capabilities to develop products.

The table below indicates the expenses for product development incurred by our Company in Fiscals 2023, 2022 and 2021:

Particulars	Expenses incurred (in ₹ million) In Fiscal 2023	In Fiscal 2022	In Fiscal 2021
Expenses for product development	206.74	113.97	89.21

The above mentioned expenses for product development includes inter alia expenses on manpower (which includes procurement of engineers, product managers, consultants for designing and testing new products, etc.), material costs (which includes expenses incurred for composites, plastics, metal, and machined parts and electronic components, etc.) which are required for product development purposes and overhead cost (which includes expenses incurred for paying rent for the premises, or lease expenses, etc.).

The table below indicates the cost of materials consumed by our Company in Fiscals 2023, 2022 and 2021:

Particulars	Expenses incurred (in ₹ million) In Fiscal 2023	In Fiscal 2022	In Fiscal 2021
Cost of materials consumed	957.38	513.90	220.99

Further, as on May 31, 2023 we had 116 employees in the product development team, which is approximately 40.27% of our overall employee strength, and we intend to add more capable and experienced employees in the product development team, in order for us to make better products and solutions.

Our existing portfolio consists of:

(a) hardware, which primarily includes UAVs, payloads, batteries, chargers and communication system (which enables communication between the ground control station and the UAVs),

(b) software and embedded sub-systems, which includes the GCS software, which enables the controlling and management for our UAVs and autopilot sub-system, which enables remote control and autonomous completion of flights, and

(c) solutions, which enables industry/ application specific software that enhances the value of our UAVs to the end customer.

In addition to the above product offerings, we are in the process of developing UAVs as an on-demand service solution, which will mean our UAVs will be deployed to enable operations in a prescheduled or ad hoc/on demand manner at a short notice. We believe that competitive advantage is transient and hence we continue to innovate our offerings. For instance, we have introduced UAVs such as RYNO and Q6 to provide mapping and surveying solutions, and Q4i, NETRA V4+, NETRA V4 PRO and SWITCH, to provide surveillance, and disaster relief solutions to our customers for different operating environments and applications. We will continue to focus on innovation, in order to upgrade our products in line with the emerging needs of the customers. Drone technology is a sunrise sector, poised for exponential growth worldwide (*Source: 1Lattice Report*). India finds itself to be at a critical juncture in the evolutionary timeline of drone technology and aims to position itself as global drone hub by 2030 (*Source: 1Lattice Report*). Further, the global drone industry is also estimated to be US$ 21.1 billion in 2022 (*Source: 1Lattice Report*). The industry has witnessed a significant growth at a CAGR of 19% over 2018-2022 and is expected to grow even faster at a CAGR of 20% to be approximately US$ 51.4 billion in 2027 and further leap to approximately US$ 91.3 billion by 2030 (*Source: 1Lattice Report*). We believe that investment in product development is essential to our business, in order to take advantage of growth opportunities in the UAV industry. Accordingly, we intend to utilize ₹ 200.00 million from the Net Proceeds towards investment in product development opportunities in each of Fiscal 2024 and 2025. For further details, see '***- Proposed schedule of implementation and deployment of Net Proceeds***' on page 104.

Moreover, the government of India aims to promote domestic drone research, development, and manufacturing by promoting creation of drone infrastructure and ecosystem. With the recent initiatives of the Government of India i.e., "*Atmanirbhar Bharat Abhiyan*", wherein focus has been on indigenisation, we are poised to take full benefit of such schemes and reduce our dependency on imports thereby reducing our import spend, see '***Our Business – Our Strategies - Focus on indigenisation***' on page 200, for further details.

However, our investment in product development is subject to multiple internal and external factors, including applicable business requirements including our ability to compete effectively and to adapt to changes in customer and user preferences, and regulatory tailwinds for this industry and technological advancements. See '***Risk Factors – 43. Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***' on page 49.

4. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, but are not restricted to, the following:

i. meeting ongoing general corporate exigencies and contingencies; and
ii. capital expenditure i.e., costs/expenses towards meeting certain business requirements.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

Bridge Financing

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

Monitoring of Utilisation of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency for monitoring the utilisation of net proceeds, prior to the filing of this Red Herring Prospectus, as our size of the Offer (excluding the Offer for Sale by the Selling Shareholders) exceeds ₹ 1,000.00 million, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised if any, of such currently unutilised Net Proceeds. 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 currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this 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 Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published 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. We will disclose the utilisation of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilised clearly specifying the purpose for which such Net Proceeds have been utilised. 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.

Offer related Expenses

Other than (i) the listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and audit fees of statutory auditors (to the extent not attributable to the Offer), which shall be solely borne by our Company; and (ii) fees and expenses for legal counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders, all costs, fees and expenses with respect to the Offer (including all applicable taxes except securities transaction tax, which shall be solely borne by the respective Selling Shareholder), shall be shared by our Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All the expenses relating to the Offer shall be paid by our Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder agrees that it shall, severally and not jointly, reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder and each Selling Shareholder authorises our Company to deduct from the proceeds of the Offer for Sale from the Offer, expenses of the Offer required to be borne by such Selling Shareholder in proportion to the Offered Shares, in accordance with Applicable Law.

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

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage underwriting and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others including but not limited to (i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses; (ii) Printing and distribution of stationery; (iii) Advertising and marketing expenses; (iv) Fees payable to legal counsel; (v) Fees payable to B S R & Co. LLP in their capacity as Statutory Auditors in respect of the Restated Consolidated Financial Information and the statement of possible special tax benefits and the certificates issued by them; (vi) Fees payable to Ramanand & Associates in their capacity as Independent Chartered Accountant to our Company in respect of various certifications issued by them; (vii) Fees payable to Praxian Global Private Limited in their capacity as industry service provider in relation to the preparation of the "Drone Industry Report" prepared and issued by Praxian in connection with the Offer; (viii) Fees payable to A. D. Joshi, Chartered Engineers and Valuers LLP in their capacity as Independent Chartered	[●]	[●]	[●]

Activity		Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
	Engineer in relation to the certificate certifying, inter alia, the details of the installed and production capacity of our manufacturing facility; and			
(ix)	Miscellaneous			
Total estimated Offer expenses		[●]	[●]	[●]

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

[(1)] Selling commission payable to the SCSBs on the portion for RIIs, NIIs and Eligible Employees which are directly procured by the SCSBs, would be as follows:

*Portion for RIIs**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*0.15% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*0.25% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

[(2)] No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for RIIs, NIIs and Eligible Employees (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIIs, NIIs and Eligible Employees**	*₹10/- per valid application (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Bidders with bids above ₹ 0.5 million would be ₹ 10 plus applicable taxes, per valid application.*
Notwithstanding anything contained above the total processing fee payable will not exceed ₹ 0.50 million (plus applicable taxes) and in case, if the total processing fees exceeds ₹ 0.50 million (plus applicable taxes) then processing fees will be paid on pro-rata basis.

[(3)] Selling commission on the portion for RIIs (upto ₹ 0.2 million), NIIs (from ₹ 0.2 - ₹ 0.5 million) and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for RIIs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*0.15%of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employees	*0.25% of the Amount Allotted* (plus applicable taxes)*

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

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined (i) for RIIs, NIIs and Eligible Employees (upto ₹ 0.5 million), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member; and (ii) for NIIs (above ₹ 0.5 million), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ 10 per valid application (plus applicable taxes).

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

Selling commission / bidding charges payable to the Registered Brokers on the portion for RIIs, Eligible Employees procured through UPI Mechanism and NIIs which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIIs, NIIs and Eligible Employees	*₹ 10/- per valid application (plus applicable taxes)*

Bidding charges / processing fees for applications made by UPI Bidders would be as under:

Members of the Syndicate / CRTAs / CDPs	*₹ 30/- per valid application (plus applicable taxes)*
Axis Bank Limited	*₹ NIL/- 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, NPCI 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.*
HDFC Bank Limited	*₹ NIL/- 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, NPCI 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.*

Notwithstanding anything contained above, the total uploading charges/ processing fees for applications made by RIIs (up to ₹ 0.20 million), NIIs (for an amount more than (from ₹ 0.20 million and up to ₹ 0.50 million)) using the UPI Mechanism and Eligible Employee(s) using the UPI Mechanism would not exceed ₹ 4.00 million (plus applicable taxes) and in case, if the total uploading charges/ processing fees exceeds ₹ 4.00 million (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis except the fee payable to Sponsor Bank (plus applicable taxes).

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

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

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or the IPO Committee.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the proceeds of the Offer will be paid by our Company to our Promoters, members of the Promoter Group, our Directors or our Key Managerial Personnel.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with any of our Directors, Key Managerial Personnel in relation to the utilisation of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Offer except as set out above.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal, to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

BASIS FOR OFFER PRICE

The Price Band will be determined by our Company, Indusage and Celesta Capital, in consultation with the BRLMs. The Offer Price will also be determined by our Company, Indusage and Celesta Capital, in consultation with the BRLMs, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The financial information included herein is derived from our Restated Consolidated Financial Information. Investors should refer to '***Risk Factors***', '***Our Business***', '***Restated Consolidated Financial Information***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' beginning on pages 29, 188, 251 and 333, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. pioneer and the pre-eminent market leader in the Indian UAS industry, with first-mover advantage;
2. diversified product portfolio with a robust technology stack and track record of successful outcomes in critical use cases;
3. strong relationships with a diverse customer base;
4. significant product development capabilities powering our software and solutions and product differentiators;
5. in-house design to delivery capabilities; and
6. strong management capabilities with a demonstrated ability to deliver robust financial performance.

For further details, see '***Our Business- Our Strengths***' beginning on page 194.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Consolidated Financial Information. For further information, see '***Financial Information***' beginning on page 251.

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

1. Basic and Diluted Earnings per Equity Share

Fiscal ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	8.55	8.12	3
March 31, 2022	13.84	13.13	2
March 31, 2021	(5.03)	(5.03)	1
Weighted Average	8.05	7.60	

**Not annualized.*

Notes:
The ratios have been computed as below:

1. *Earnings per share calculations are in accordance with Ind AS - 33 (earnings per share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
2. *The ratios have been computed as below:*
   -Basic earnings per share (₹) = Restated net profit / (loss) available to equity shareholders/weighted average number of Equity Shares during the year.
   -Diluted earnings per share (₹) = Restated net profit / (loss) available to equity shareholders/weighted average number of diluted Equity Shares during the year.
3. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weight factor. The weighted average number of Equity Shares outstanding during the years are adjusted for the bonus issue. Our Company has pursuant to a Board resolution dated December 16, 2022 issued bonus shares at a ratio of 255 Equity Shares for one Equity Share at face value of ₹ 10 each.*
4. *The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
5. *The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.*

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

Particulars	P/E at Floor Price (number of times)	P/E at Cap Price (number of times)
Based on basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	The details shall be provided post the fixing of the price band by our Company at the stage of this Red Herring Prospectus or the filing of the price band advertisement	
Based on diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023		

3. Industry Price/Earning ("P/E") Ratio

Particulars	P/E Ratio
Highest	72.83
Lowest	43.88
Average	57.93

Notes:

1. The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

2. The industry P/E ratio mentioned above is for the financial year ended March 31, 2023. P/E Ratio has been computed based on the closing market price of equity shares on BSE on June 14, 2023 divided by the Diluted EPS for the year ended March 31, 2023.

3. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

4. Average Return on Net Worth

Fiscal ended	Return on Net Worth (%)	Weight
March 31, 2023	9.85	3
March 31, 2022	26.95	2
March 31, 2021	(24.48)	1
Weighted Average	9.83	

**Not annualized.*

Notes:

1. Return on Net Worth (%) = Restated net profit/(loss) after tax attributable to equity shareholders of our Company / restated net worth for Equity Shareholders of our Company.

2. Net Worth is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding foreign currency translation reserve.

3. The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.

4. The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.

5. Net Asset Value per Equity Share

Net Asset Value per Equity Share	(in ₹)
As on March 31, 2023	86.81
As on March 31, 2022	51.36
As on March 31, 2021	20.57
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

Notes:

(i) Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the weighted average number of Equity Shares used in calculating basic earning per share.

"Net Worth attributable to the owners of our Company" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at March 31, 2023, March 31, 2022 and March 31, 2021.

(ii) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

6. Comparison with Listed Industry Peers

There are no listed companies that exclusively undertake the manufacturing of drones. Hence, basis factors such as the scale of the business, exposure to the defence sector (as defence contributes the majority of revenue from operations for our Company), manufacturing of electronics products (as our Company manufactures drones, which are electronics products), a proxy set of listed peers of MTAR Technologies Limited, Data Patterns (India) Limited and Astra Microwave Products Limited (the "**Industry Peers**") have been identified for our Company.

Name of the company	Face Value (₹)	Revenue from operations (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E [x]	Return on Net Worth (%)	Net Asset Value (in million)	Net Asset Value per Equity Share (₹)
ideaForge Technology Limited*	10.00	1,860.07	8.55	8.12	[●]#	9.85	3,247.21	86.81
Listed Peers**								
MTAR Technologies Limited	10.00	5,737.51	33.62	33.62	57.08	16.68	6,201.32	201.60
Data Patterns India Limited	2.00	4,534.50	23.80	23.80	72.83	10.62	11,670.80	224.00
Astra Microwave Products	2.00	8,155.16	8.06	8.06	43.88	10.87	6,426.24	74.17

** Financial information of the company has been derived from Restated Consolidated Financial Information as at or for the financial year ended March, 2023*

*** Sources for listed peers information included above*

 # To be included in respect of our Company in Prospectus based on the Offer Price.

Notes

1. *Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the weighted average number of Equity Shares used in calculating basic earning per share.*
2. *All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2023 submitted to Stock Exchanges.*
3. *P/E Ratio has been computed based on the closing market price of equity shares on BSE on June 14, 2023 divided by the Diluted EPS for the year ended March 31, 2023.*
4. *Return on Net Worth is computed as restated net profit / (loss) after tax attributable to equity holders of our Company divided by restated Net Worth for Equity Shareholders of our Company.*

Set forth below is a comparison of our KPIs with our peer group companies listed in India.

7. Key Performing Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated June 11, 2023. Further, the Audit Committee has on June 11, 2023 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated June 12, 2023 issued by Ramanand & Associates, Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Cost Accountants of India. The certificate dated June 12, 2023 issued by Ramanand & Associates, Chartered Accountants, has been included in '***Material Contracts and Documents for Inspection - Material Documents***' on page 433.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for Fiscals 2023, 2022 and 2021 is set out below:

Metrics	Fiscal 2023	Fiscal 2022	Fiscal 2021
Financial			
Revenue from operations[1]	1,860.07	1,594.39	347.18
Growth in revenue from operations (%)[2]	16.66	359.24	148.00
Gross Profit[3]	1,271.49	1,182.18	164.15
Gross Profit Margin(%)[4]	68.36	74.15	47.28
EBITDA[5]	574.88	751.31	(92.51)
EBITDA Margin(%)[6]	30.91	47.12	(26.65)
Adjusted EBITDA[7]	851.87	814.09	(33.63)
Adjusted EBITDA Margin(%)[8]	45.80	51.06	(9.69)
PAT[9]	319.87	440.06	(146.26)
PAT Margin(%)[10]	17.20	27.60	(42.13)
ROE(%)[11]	13.11	39.46	(22.88)
ROCE(%)[12]	12.51	49.63	(15.18)
Adjusted ROCE(%) [13]	26.98	77.25	(12.06)
Operational			
Revenue from operations split by sale of products and services [14]			
Sales of products	1,636.01[19]	1,539.30	310.14
Sales of products (as a % of total)	87.95	96.54	89.33
Sales of service	49.75[19]	54.98	37.04
Sales of service (as a % of total)	2.67	3.45	10.67
Revenue from operations split by defence and civil [15]			
Defence	1,286.20[20]	1,276.66	48.29
Defence (as a % of total)	69.15	80.07	13.91
Civil	399.67[20]	317.73	298.89
Civil (as a % of total)	21.49	19.93	86.09
Order book (in millions)[16]	**1,922.72**	**3,108.75**	**1,363.96**
Defence [17]	1,851.99	3,055.34	1,284.78
Civil [17]	70.72	53.41	79.18
Number of flights launched[18]	**124,417**	**63,920**	**29,951**

Notes:

**KPIs and metrics for the period are not annualized.*

1. *Revenue from Operations means the revenue from operations as appearing in the Restated Consolidated Financial Information.*
2. *Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period/year minus revenue from operations of the preceding period/year, divided by revenue from operations of the preceding period/year.*
3. *Gross Profit is calculated as revenue from operations less cost of materials consumed, changes in inventories of finished goods and work-in-progress.*
4. *Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by Revenue from Operations.*
5. *EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense.*
6. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.*
7. *Adjusted EBITDA is calculated as EBITDA plus share based payments to employees.*
8. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by the Revenue from Operations.*
9. *Profit after Tax means restated profit / (loss) for the year as appearing in the Restated Consolidated Financial Information.*
10. *Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by Revenue from Operations.*
11. *Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Average Equity for the year/period. Average Equity is calculated as average of the total equity attributable to the equity shareholders of our Company at the beginning and ending of the year/period.*
12. *Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.*
    -Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.
    -Capital Employed is calculated as total equity plus total borrowings minus intangible assets.
13. *Adjusted ROCE is calculated as Adjusted earnings before interest and tax divided by Adjusted Capital Employed.*

-Adjusted earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs plus share based payments to employees.
-Adjusted Capital Employed is calculated as total equity plus total borrowings minus intangible assets minus current borrowings minus cash and cash equivalents minus bank balance other than cash and cash equivalents.

14. *Revenue from operations divided between sale of products and services and other operating income as appearing in the Restated Consolidated Financial Information.*
15. *Revenue from Operations as appearing in the Restated Consolidated Financial Information divided between our Company's two key focus end use segments of defence and civil and other operating income..*
16. *As of a certain date, the total value of contracts won that have not been executed.*
17. *As of a certain date, the total value of contracts won that have not been executed split between defence and civil.*
18. *Flights launched / takeoff by the drones that have been sold to customers.*
19. *The revenue from operation split does not include other operating income which is in the nature of PLI related incentive, as it cannot be categorised as either of revenue from sale of product or sale of services.*
20. *The revenue from operation split does not include other operating income which is in the nature of PLI related incentive, as it cannot be categorised in either of civil or defence segments.*

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in '***Our Business****' and '****Management's Discussion and Analysis of Financial Condition and Results of Operations***' beginning on pages 188 and 333, respectively. All such KPIs have been defined consistently and precisely in '***Definitions and Abbreviations*** – ***Conventional and General Terms and Abbreviations***' on pages 12 to 14.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

Explanation for the Key Performance Indicators ("KPIs") metrics

KPI	Explanations
Revenue from Operations (₹ million)	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Growth in revenue from operations (%)	Growth in Revenue from operations provides information regarding the growth of our business for the respective period.
Gross Profit (₹ million)	Gross Profit provides information regarding the profits from manufacturing of products and sale of services by our Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products manufactured and services sold by our Company.
EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of our business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Adjusted EBITDA (₹ million)	Adjusted EBITDA provides information regarding the operational efficiency of our business after adjusting share based payments to our employees, which are non-cash and non-recurring in nature.
Adjusted EBITDA Margin (%)	Adjusted EBITDA Margin is a further indicator of the operational profitability and financial performance of our business after negating the impact of share based payments to our employees, which are non-cash and non-recurring in nature.
Profit after tax (₹ million)	Profit after tax provides information regarding the overall profitability of our business.
Profit after tax Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
Return on Equity ("**RoE**") (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed ("**RoCE**") (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in our business.
Adjusted ROCE (%)	Adjusted ROCE % provides how efficiently our Company generates earnings from the capital employed in our business, after adjusting for the impact of share based payments to our employees and adjusting the capital employed for our current borrowings, cash and cash equivalents and bank balance other than cash and cash equivalents.

KPI	Explanations
Revenue split products and services	This metric enables our Company to track the progress of revenue from products sold and of revenue from services provided.
Revenue split between defence and civil	This metric enables our Company to track the progress of revenues in its two key focus end use segments of defence and civil.
Order Book (₹ million)	This indicator provides our Company with a measurement of the visibility and certainty of future revenue.
Order book split between defence and civil	This metric enables our Company to track the visibility and certainty of future revenue for its two key focus end use segments of defence and civil.
Number of flights launched	This metrics enables our Company to track the usage of drones sold to our customers and thereby provides various operational insights which are used to improve offerings.

Comparison of financial KPIs of our Company and our listed peers

	ideaForge Technology Limited	**Data Patterns**	**MTAR Technologies**	**Astra Microwave**
KPI	**Fiscal 2023**	**Fiscal 2023**	**Fiscal 2023**	**Fiscal 2023**
Revenue from operations[1]	1,860.07	4,534.50	5,737.51	8,155.16
Growth in revenue from operations(%)[2]	16.66	45.87	78.18	8.67
Gross Profit[3]	1,271.49	2,825.40	3,042.41	2,972.35
Gross Profit Margin(%)[4]	68.36	62.31	53.03	36.45
EBITDA[5]	574.88	1,810.30	1,734.51	1,501.24
EBITDA Margin(%) [6]	30.91	39.92	30.23	18.41
Adjusted EBITDA[7]	851.87	NA	NA	NA
Adjusted EBITDA Margin(%) [8]	45.80	NA	NA	NA
PAT[9]	319.87	1,240.00	1,034.19	698.30
PAT margin(%) [10]	17.20	27.35	18.03	8.56
ROE(%) [11]	13.11	14.24	18.15	11.37
ROCE(%) [12]	12.51	14.80	20.30	15.29
Adjusted ROCE(%) [13]	26.98	NA	NA	NA
Operational				
Revenue from operations split by sale of products and services [14]				
Sales of Products	1,636.01[19]	N/A	N/A	N/A
Sales of Products (as a % of total)	87.95	N/A	N/A	N/A
Sales of Service	49.75[19]	N/A	N/A	N/A
Sales of Service (as a % of total)	2.67	N/A	N/A	N/A
Revenue split by defence and civil[15]				
Defence	1,286.20 [20]	N/A	N/A	N/A
Defence (as % of the total)	69.15	N/A	N/A	N/A
Civil	399.67 [20]	N/A	N/A	N/A
Civil (as a % of total)	21.49	N/A	N/A	N/A
Order book (in millions) [16]	**1,922.72**	**9,241.00**	**11,729.00**	**15,439.90**
Defence[17]	1,851.99	N/A	N/A	N/A
Civil[17]	70.72	N/A	N/A	N/A

KPI	ideaForge Technology Limited Fiscal 2023	Data Patterns Fiscal 2023	MTAR Technologies Fiscal 2023	Astra Microwave Fiscal 2023
Number of flights launched(18)	1,24,417	N/A	N/A	N/A

Notes:
**KPIs and metrics for the period are not annualized.*

1. *Revenue from Operations means the revenue from operations as appearing in the Restated Consolidated Financial Information and for Peers from consolidated financials.*
2. *Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period/year minus Revenue from Operations of the preceding period/year, divided by revenue from operations of the preceding period/year.*
3. *Gross profit is calculated as revenue from operations less cost of materials consumed, changes in inventories of finished goods and work-in-progress.*
4. *Gross Profit Margin refers to the percentage margin derived by dividing gross profit by revenue from operations.*
5. *EBITDA is calculated as restated profit / (loss) for the period / year, plus total tax expense (credit) for the period / year, finance costs and depreciation and amortization expenses.*
6. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations.*
7. *Not calculated for peers since comparable data is not available.*
8. *Not calculated for peers since comparable data is not available.*
9. *Profit after Tax means restated profit / (loss) for the year as appearing in the Restated Consolidated Financial Information.*
10. *Profit after Tax Margin refers to the percentage margin derived by dividing profit after tax by revenue from operations.*
11. *Return on Equity refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Average Equity for the year/period. Average Equity is calculated as average of the total equity attributable to the equity shareholders of our Company at the beginning and ending of the year/period.*
12. *Return on Capital Employed is calculated as earnings before interest and tax divided by Capital Employed. Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs. Capital Employed is calculated as total equity plus total borrowings minus intangible assets.*
13. *Not calculated for peers since comparable data not available.*
14. *Revenue from Operations divided between sale of products and services as appearing in the Restated Consolidated Financial Information.*
15. *Revenue from Operations as appearing in the Restated Consolidated Financial Information divided between the two key focus end use segments of defence and civil. For peers, the comparable bifurcation between defence and civil is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with our Company's information not available in a comparable manner, and hence not mentioned.*
16. *As of a certain date, the total value of contracts won that have not been executed.*
17. *As of a certain date, the total value of contracts won that have not been executed, split between defence and civil end use. For peers, the comparable bifurcation between defence and civil is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with our Company's information not available in a comparable manner, and hence not mentioned.*
18. *Flights launched / takeoff by the drones that have been sold to customers. This metric is not disclosed for peers as are they do not operate in the business of manufacture and sale of unmanned aerial systems / drones.*
19. *The revenue from operation split does not include other operating income which is in the nature of PLI related incentive, as it cannot be categorised as either of revenue from sale of product or sale of services.*
20. *The revenue from operation split does not include other operating income which is in the nature of PLI related incentive, as it cannot be categorised in either of civil or defence segments.*

Weighted average cost of acquisition

8. A. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

The details of the Equity Shares or convertible securities, excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-

Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("**Primary Issuance**") are as follows**:**

Date of allotment	Name of allottee	No. of shares transacted (Adjusted for bonus issue)	Face Value (₹)	Issue price per share (₹) (Adjusted for bonus issue)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)
June 14, 2023	Florintree Enterprises LLP[(1)]	4,041,784	10.00	230.09	Conversion of series B1 CCPS into Equity	Cash	929,974,318.00
June 14, 2023	Mr. Ganapathy Subramaniam	256,284	10.00	217.46	Conversion of series B1 CCPS into Equity	Cash	5,57,31,949.56
June 14, 2023	Celesta Capital II Mauritius	3,688,998	10.00	80.73	Conversion of Series A CCPS into Equity	Cash	297,829,458.00
June 14, 2023	Celesta Capital II Mauritius	721,844	10.00	185.69	Conversion of Series B CCPS into Equity	Cash	134,038,500.00
June 14, 2023	Celesta Capital II B-Mauritius	439,118	10.00	80.73	Conversion of Series A CCPS into Equity	Cash	35,451,978.00
June 14, 2023	Celesta Capital II B-Mauritius	86,106	10.00	185.37	Conversion of Series B CCPS into Equity	Cash	15,961,100.00
June 14, 2023	IndusAge Technology Venture Fund I	2,050,950	10.00	80.73	Conversion of Series A CCPS into Equity	Cash	165,582,450.00
June 14, 2023	IndusAge Technology Venture Fund I	228,938	10.00	185.63	Conversion of Series B CCPS into Equity	Cash	42,498,600.00
June 14, 2023	Qualcomm Asia Pacific Pte. Ltd.	1,220,852	10.00	80.73	Conversion of Series A CCPS into Equity	Cash	98,564,892.00
June 14, 2023	Qualcomm Asia Pacific Pte. Ltd.	164,076	10.00	185.62	Conversion of Series B CCPS into Equity	Cash	30,455,400.00
June 14, 2023	Infosys Limited	1,220,852	10.00	80.73	Conversion of Series A CCPS into Equity	Cash	98,564,892.00
June 14, 2023	Infosys Limited	403,862	10.00	185.71	Conversion of Series B CCPS into Equity	Cash	74,999,800.00
June 14, 2023	Infina Finance Private Limited	269,166	10.00	185.71	Conversion of Series B	Cash	49,987,000.00

Date of allotment	Name of allottee	No. of shares transacted (Adjusted for bonus issue)	Face Value (₹)	Issue price per share (₹) (Adjusted for bonus issue)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)
					CCPS into Equity		
June 14, 2023	Export Import Bank of India	403,862	10.00	185.71	Conversion of Series B CCPS into Equity	Cash	74,999,800.00
	Total	**15,196,692**					**2,104,640,137.56**
Weighted Average Cost of Acquisition [Total Consideration/Total Number of Shares Transacted]							**138.49**

(1) *While the shares were allotted in the month of April and July 2022, respectively, the term sheet for the preferential allotment was signed in November 2021 which factored-in the performance of our Company at that time.*

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

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoter, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate director(s) in the board of directors of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

9. Weighted average cost of acquisition, floor price and cap price

Type of transactions	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	138.49	[●] times	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N/A^	[●] times	[●] times

* *To be updated at Prospectus stage.*

Note: ^ There were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last 18 months prior to the date of this Red Herring Prospectus.

10. **Detailed explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 8 above) along with our Company's key financial and operational metrics and financial ratios for and Fiscal 2023, 2022 and 2021.**

    [●]*

    Note: This will be included on finalisation of Price Band

11. **Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 8 above) in view of the external factors which may have influenced the pricing of the Offer.**

    [●]*

    Note: This will be included on finalisation of Price Band

The Offer Price of ₹ [●] has been determined by our Company, Indusage and Celesta Capital, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, Indusage and Celesta Capital, as applicable, in consultation with the BRLMs, are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with '***Risk Factors***', '***Our Business***', '***Management Discussion and Analysis of Financial Condition and Revenue from Operations***' and '***Financial Information***' beginning on pages 29, 188, 333 and 251, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled '***Risk Factors***' beginning on page 29 and any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
ideaForge Technology Limited *(formerly known as ideaForge Technology Private Limited)*
Plot EL-146, TTC Industrial Area
Electronic Zone MIDC, Mahape
Navi Mumbai 400 710, Thane
Maharashtra, India

19 June 2023

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

This Statement is issued in accordance with the Engagement Letter dated 9 January 2023 and subsequent addendum dated 10 January 2023.

We hereby report that the enclosed Annexure I and Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special-tax benefits available to the Company and its shareholders under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure I.

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

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

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

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

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

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

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

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 23108511BGYYGO8031

Mumbai
19 June 2023

ANNEXURE I

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

Sr. No:	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017
5.	Customs Act, 1962 and Customs Tariff Act, 1975 read with respective rules, circulars and notifications made thereunder
6.	The Foreign Trade Policy 2015-2020

For **ideaForge Technology Limited** *(formerly known as ideaForge Technology Private Limited)*

Director
Place: Navi Mumbai
Date: June 19, 2023

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO IDEAFORGE TECHNOLOGY LIMITED *(FORMERLY KNOWN AS IDEAFORGE TECHNOLOGY PRIVATE LIMITED)* ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

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

UNDER THE TAX LAWS

A. ***Special tax benefits available to the Company***

Direct tax laws

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

Indirect tax laws

The Company is availing the following special indirect tax benefits pertaining to exports of goods:

a. The Company is entitled for rebate of taxes / duties on inputs under Remission of Duties and Taxes on Exported Products ("**RoDTEP**") scheme at the applicable rates;
b. The Company is also entitled for rebate of Integrated tax ("**IGST**") paid on export of goods.

B. ***Special tax benefits available to Shareholders of the Company***

There are no special direct tax benefits or indirect tax benefits available to the shareholders under the Tax Laws.

NOTES:

1. The above is as per the current Tax Laws in force in India.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **ideaForge Technology Limited** *(formerly known as ideaForge Technology Private Limited)*

Director
Place: Navi Mumbai
Date: June 19, 2023

SECTION IV – ABOUT OUR COMPANY

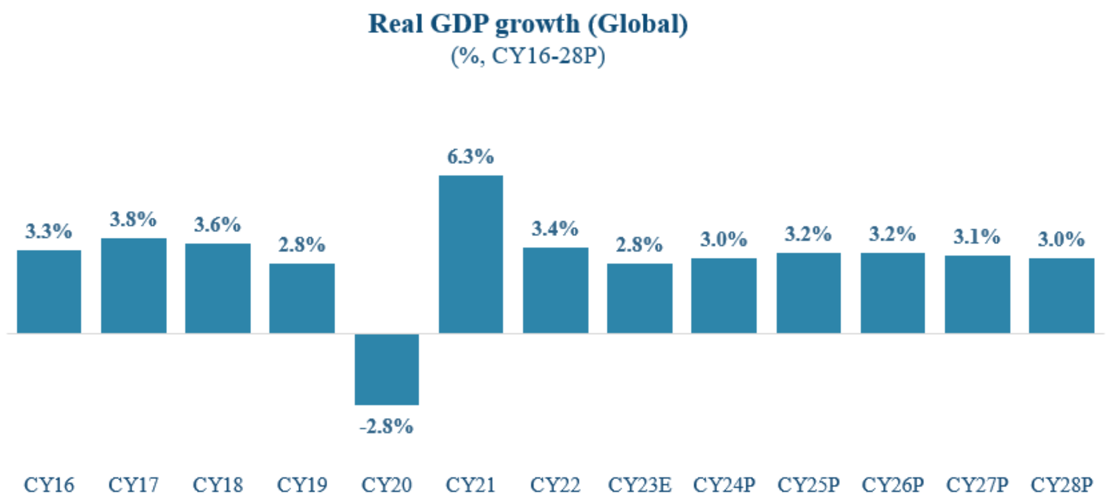
INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section has been derived from the report titled "Drone Industry Report" released on June 9, 2023 (the "**1Lattice Report**"), prepared by Praxian appointed by us on October 6, 2022, and exclusively commissioned by and paid for by us in connection with the Offer. Praxian is not in any way related to our Company, our Directors or Promoters or Senior Management or Key Mnaagerial Personnel or the BRLMs. The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report. The data may have been re-classified by us for the purposes of presentation. See also, '**Risk Factors – 39. Certain sections of this Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.**' on page 48. 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. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

MACRO-ECONOMIC AND GEO-POLITICAL OVERVIEW

Global Macroeconomic and Geo-Political Overview

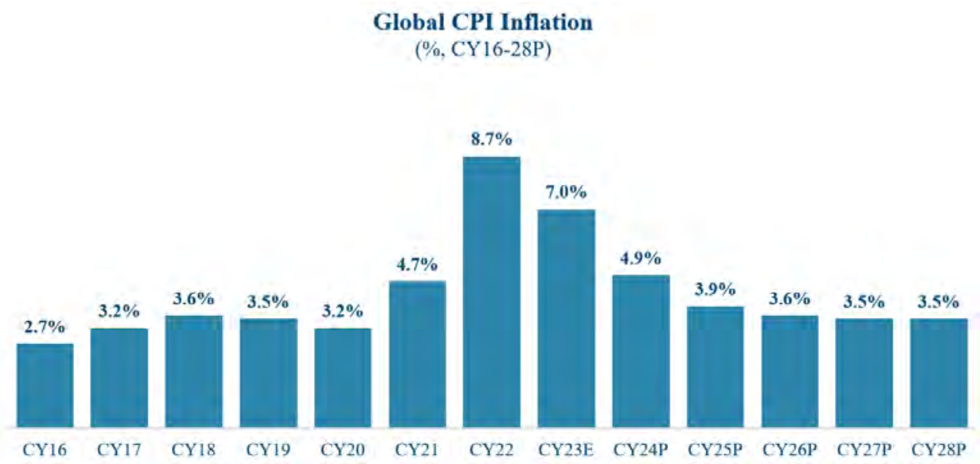
Global GDP growth of 6% by the end of CY21 offsets the contraction in global GDP caused by pandemic disruptions; Growth rate is likely to remain stable at ~3.1% through CY23-CY27



As per International Monetary Fund (IMF), global GDP growth is likely to stabilize at ~3.0% from CY24. Inflation is rising, given the impact of the Russian-Ukraine war, the cost-of-living crisis, and tightening of financial conditions. Strict lockdowns associated with China's zero COVID-19 policy have impacted the Chinese and global economies due to supply chain disruption. Post-CY23, global growth is expected to expand to between 3.0-3.2% in the medium term due to the generalized tightening of monetary policy driven by the greater-than-expected inflation targets.

Global inflation is expected to reach 7.0% in CY23 due to an increase in energy prices; and the Russia-Ukraine conflict

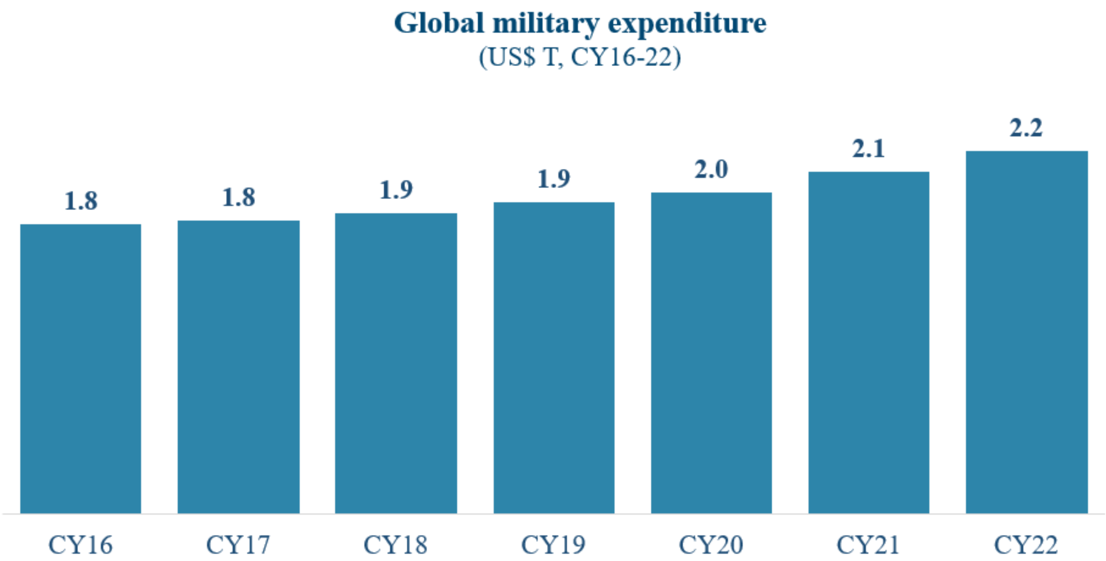
According to IMF, global consumer inflation is expected to fall to 7.0% by the end of CY23. The increase in CY22 was driven by soaring fuel and energy costs, the global supply chain disruptions caused by the Russia-Ukraine war, and China's Zero COVID-19 policy (Public health policy to suppress wide spread of COVID-19 and achieve zero new infections and resume normal economic and social activities).



With inflation at its highest in decades, multiple monetary and fiscal policies changes have been witnessed during CY22 and CY23 to reduce cost-of-living pressures. Structural reforms can help fight inflation by increasing productivity and relaxing supply restrictions.

Global military expenditure

The overall global military expenditure in CY22 was US$ 2.2T, with the U.S.A accounting the highest share of 39%. Since SIPRI (Stockholm International Peace Research Institute) started keeping track in 1949, the U.S.A has emerged as the nation with the highest military expenditure in CY22, accounting for 39% of global military spending.



India's military expenditure of US$ 81.4 B in CY22 was the fourth highest in the world. India's spending was up by 6% from CY21 and by 47% from CY13. Amid ongoing tensions and border disputes with China and Pakistan that occasionally spill over into armed clashes, India has prioritized the modernization of its armed forces and self-reliance in arms production. The use of drones is increasing for surveillance and security, combat and logistical support purposes for the Indian military.

Global geo-politics and drones

Over the past decade, drones have significantly altered the way critical, life-threatening operations are conducted. The first known drone used for defence purposes was deployed by Israel in in the Arab-Israeli war in 1973. Following Israel, by the 1990s, the U.S.A also started to employ drones in military operations.

Drone usage in Defence

Longer flight times, improved range, quality cameras and intelligent systems as drone offerings are changing the landscape of warfare by providing better surveillance, reduced cost, reduced human capital loss, increased convenience / flexibility. Drones change the economics of warfare as drones which cost few tens of thousands of dollars are able to precisely attack and incapacitate heavy artillery worth millions of dollars.

Drones have three main applications in defence:

(i) Intelligence, surveillance, target acquisition, and reconnaissance (ISTAR)
(ii) Combat
(iii) Logistical support

Considering the various different missions, they have to perform, UAVs can be segregated on basis of range & operating altitude:

- High-altitude long endurance (HALE): UAVs flying at an altitude more than 9 km (environment with thin air and low temperature)
- Medium-altitude long endurance (MALE): Flies at an altitude window of 3–9 k
- Tactical
- Mini, micro, nano drones
- High-Altitude Pseudo-Satellites (HAPS)

The ongoing Russia-Ukraine war, as well as the former Azerbaijan-Armenia conflict, have highlighted one feature of modern warfare: the utilization of drones for both surveillance and retaliatory action.

Major geopolitical events that witnessed drone usage:

- **Russia-Ukrainian War (CY22):** Russia and Ukraine included advanced military drones in their arsenal and employed them for observation and attack. Majority of their drone fleet comprises of pre-made or custom-built machines modified at nationwide factories to drop grenades or anti-tank weapons
- **Striking opposition targets from distance by the U.S.A:** Since there is no risk to a human pilot and a drone can wait longer before firing, drones make targeted strikes easier for nations without losing human capital. Major General Qassim Suleimani, one of Iran's most influential figures, was assassinated by an aerial drone operated by the U.S remotely. In CY22, a U.S. drone strike killed al-Qaeda leader Ayman al-Zawahiri in Kabul, Afghanistan. Countries such as the U.K., Turkey, and Nigeria have followed the U.S.'s lead and are using drones to strike opposition targets.
- **Attack on an oil refinery in Saudi Arabia by Yemen's Houthi group:** Drones attacked oil refinery in Riyadh, Saudi Arabia's capital city. The Yemen's Houthi group have targeted oil installations, including Saudi Aramco's pipelines and storage facilities as a part of their ongoing conflict with Saudi rulers.
- **Azerbaijan-Armenia War:** Armenian forces, which mainly depended on traditional Russian weapons and tactics, were defeated by Azerbaijan due to use of sophisticated drone technology in CY20. To prevent further loss of life, territory, and military hardware, the Armenian troops had no choice but to sign the ceasefire.
- **India-Pakistan drone intrusions:** In CY22, drone intrusions at the India-Pakistan border have almost doubled as terrorist organizations and drug traffickers based in Pakistan have stepped up their efforts to use drones to transport guns, explosives, and drugs.

Israel is a dominant player in UAV technology worldwide and has been using drones for over a decade for various military purposes. Until the early 2000s, Turkey relied on Israel for drones. Due to geo-political reasons, Turkey stopped purchasing Israeli drones and was prevented from procuring U.S.A. made Predator drones. As a result of this, the domestic drone industry grew in Turkey. A similar scenario can arise in India as well due to the regulations in favor of the drone industry. Indian Government banned drone imports from other countries (except for R&D and defence) combined with the Production Linked Incentive (PLI) scheme would help India become a global drone manufacturing hub.

Anti-China Sentiment

The USA raised concerns about spying by Chinese-owned apps TikTok Inc., WeChat, and Chinese telecom giant Huawei Technologies Co. Ltd., Shenzhen-based SZ DJI Technology Co. Ltd (leading drone manufacturer) were already under close watch as a potential national security threat. U.S.A customs authorities alleged that DJI drones likely gave China access to U.S. infrastructure and law enforcement data. In October 2022, the U.S. Department of Defense (DoD) blacklisted 13 Chinese companies, including SZ DJI Technology Co. Ltd, Shenzhen Huada Gene Technology Co. Ltd (BGI Genomics), and China State Construction Engineering Corp Ltd, citing that they have ties with the Chinese military. Further, in the US, the National Defense Authorization Act (NDAA) for Fiscal Year 2020 was passed on 20 December, 2019 and Section 848 remains in effect. The Act proposed a law that restricts purchase of drones by Department of Defense (DoD) with critical components from covered foreign country (People's Republic of China).

Chinese-based manufacturing companies help reduce the cost of drones to a reasonable level. As a result, countries with limited resources have been procuring Chinese drones for their military, leading to a rise in the number of nations using Chinese UAVs. The rapid increase in the production scale of Chinese drones led to a rise in unreliability and performance issues. Saudi Arabia and Jordan have called out China for their shortcomings (e.g., lack of repair and maintenance documentation, lack of a spare part inventory or procurement mechanism).

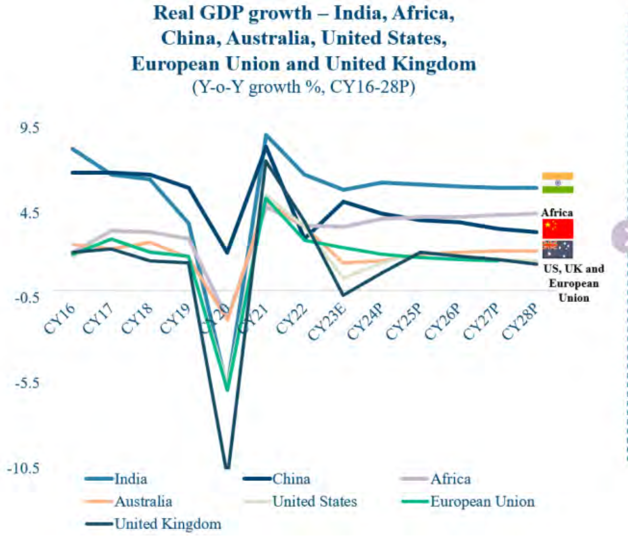
The data confidentiality issues and low reliability of Chinese drones, coupled with the global anti-China sentiments are paving an opportunity for the Indian drone industry to provide an alternative option in the market. Indian UAVs can compete in this market given the favorable ecosystem created by the government's industry-friendly policies, significant investments, and increasing demand for drones globally. Through meticulous public and private investments, the Indian drone sector is looking to position itself as a global competitor in exports for both civil and military drones.

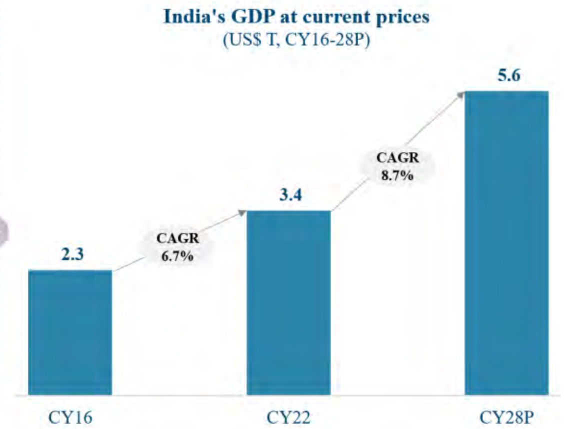
COVID-19 Impact

Drone companies responded to COVID-19 challenges by looking for ways to demonstrate how small flying robots may help within applications such as vaccine/medicine delivery, enforcing social distancing, etc. Although many businesses were already testing contactless drone delivery, the pandemic immediately raised awareness of this necessity. Delivery-based drone manufacturers jumped into action as companies had some experience delivering medical goods before the pandemic. Drone deliveries were once thought of as just a marketing ploy. Suddenly, they were seen as a necessity for safety. Drones could offer a safe substitute for conventional delivery techniques by eliminating direct human touch. Before the pandemic struck, drone delivery firms, had been testing drone delivery systems for portable medical supplies in Rwanda and Ghana. The use of drones to distribute vaccinations in Ghana is arguably the best example of how drones made a clear and immediate impact on the fight against the virus. Beyond deliveries drones were also used for monitoring and ensuring social distancing among people and for making public announcements in remote areas and other such applications.

India Macroeconomic and Geo-Political Overview

India's real GDP (at current prices) is expected to grow at a rate of 8.7% from CY22 to CY28, making it one of the fastest-growing large economies globally





As per IMF, India became the world's fifth largest economy at market exchange rates after overtaking the U.K. in CY22 and is expected to be the third largest by CY30. Over the next 10-15 years, India is anticipated to be among the top economies on the back of rising demand, robust growth in various sectors, and increased private consumption. As per World Economic Forum (WEF), Indian private consumption is expected to be driven by an increasing proportion of the male and female working-age population and a rise in household income.

India's GDP (at current prices) grew from US$ 2.1T to US$ 3.2T between CY15 and CY21 on the back of robust reforms like GST, corporate tax revision, and revised FDI limits. Due to the impact of the first wave of COVID-19, the Indian economy witnessed a negative real GDP growth rate of 5.8% in March 2020, but recovered quickly to deliver real GDP growth of 9.1% in CY21. As per IMF projections, India's GDP (at current prices) is expected to grow at a rate of 8.7% from CY22 to CY28, making it one of the fastest-growing large economies globally.

India's GDP per capita is predicted to reach US$ 3,720 by CY28

According to the IMF, India's GDP per capita is anticipated to be at US$ 2,601 by the end of CY23 and US$ 3,720 by the end of CY28.

India's per capita GDP
(US$, CY16-28P)

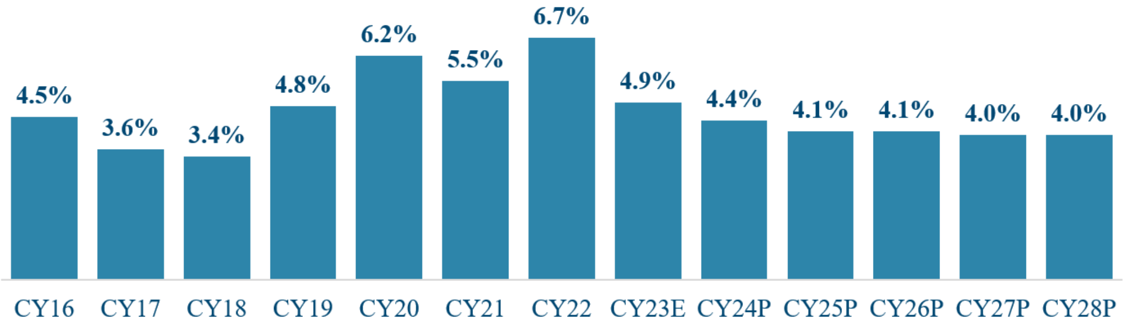
Source(s): International Monetary Fund, 1Lattice Analysis

India aims to become a developed nation by 2047. This mission is expected to be attained by sustained high GDP growth and rising per capita income. Many countries (South Korea, Singapore, and China) transitioned from developing to developed status in 3-5 decades, driven by growth in per capita income. The individual Indian states hold the key to achieving the status of a developed country in the coming three decades and are looking to diversify their economies and take giant strides in human development indicators. State governments are striving to modify rules and regulations to make the legal framework more compatible with economic and technological advancements and are looking to attract private investments in various sectors like manufacturing, tourism, financial services, etc.

India's CPI inflation rate is estimated to be 4.9% in CY23 and the RBI aims to bring it to around 4% by the end of CY27

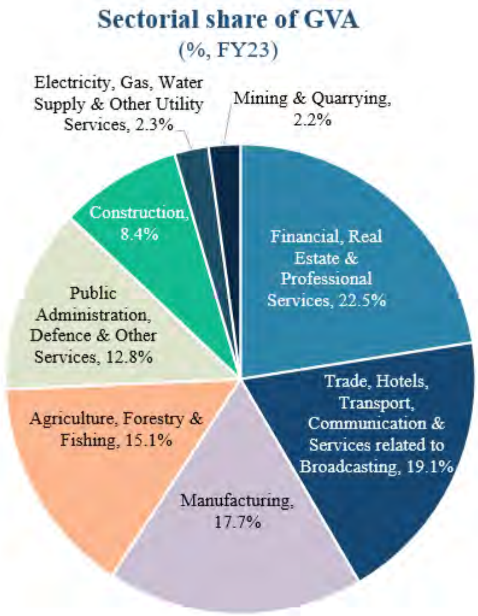
According to the IMF database, India's CPI inflation rate is 6.7% in CY22 and estimated to be decline to 4.9% by CY23 as the impact of the Russia-Ukraine war on global commodity prices diminishes. By CY26, the RBI aims to bring the CPI inflation rate below 6% to a target of 4%, with a soft landing (bringing inflation back to a target without a recession).

India's CPI Inflation
(%, CY16-28P)



CPI inflation rates have increased due to volatile components like vegetable prices, fuel costs, and commodities such as gold and edible oils. Still, comparatively weak global growth could translate to lower commodity prices leading to lower CPI inflation rates for India.

As of FY23, financial, real estate, and professional services holds 23% of the GVA followed by trade, hospitality and broadcasting services at 19% and manufacturing at 18%



The agricultural sector was least impacted by the pandemic-related disruptions. Agriculture attributes to 15% of the GVA share. The industry sector was impacted the most but is recovering back to previous levels. The industry sector is expected to grow in FY23 given the manufacturing and construction boost. Basic services such as electricity and water supply were maintained even at the height of the national lockdown. Financial, real estate and professional services hold the highest share of 23% in the overall GVA.

Indian Geo-politics and drones; Due to its varied use cases in both defence and civil, drone technology can be fully utilized by India with its homegrown technological potential post-ban on imports

Drones may greatly assist governments in assessing the current state of infrastructure such as power systems, communication networks, ports, airports, railways, bridges, and so on. Drones are utilized to automate time-consuming and dangerous activities. Drones can be used by construction companies to monitor the structure of such projects to develop city plans. Drones can provide useful analytical data for crowd and traffic management along with other actionable insights. Above all, it can help engineers reduce the dangers associated with physical labor.

India is adopting innovative approaches to include UAV technology in various sectors as to meet increasing demands and international standards.

The relaxed drone usage guidelines and ban on drone imports due to security reasons has resulted in a quick climb of the Indian drone industry in the last couple of years and aims to position itself as Global drone hub by CY30. An increase in the adoption of drones in India across varied industries for different use cases has been seen over the past few years. Advanced technology and investment in Indian drone companies will lead to the massive potential for homegrown drone companies in India. The drone segment is also expected to open employment opportunities in manufacturing, software, and services due to various use cases across industries.

Increase in adoption of drones in India

India is experimenting, exploring, and using drones for various use cases in both defence and civil sectors. On the civil front, agriculture, media and entertainment, energy and utilities, disaster management, geospatial mapping, forest and wildlife, and law enforcement are among the most prominent.

<u>Defence</u>

After the CY20 border skirmishes between Indian and Chinese forces, India has been looking to purchase UAVs for surveillance and reconnaissance along the line of actual control (LAC). In CY20, the Indian Navy acquired two MQ-9B SeaGuardian drones from General Atomics Aeronautical Systems, Inc. (U.S.) for one year to surveil the Indian Ocean.

By May 2022, 53 drone incursions were noticed along the India-Pakistan border. Security forces shot down these UAVs nine times. According to Border Security Force (BSF) sources, increased drone activity has been detected at several Pakistani border outposts. To defend against such UAVs, India will look forward to expanding its fleet of drones and integrating counter-drone technology into its defence program.

The clash in the Galwan Valley in CY20, and the subsequent border standoff with China along the Line of Actual Control, compelled India to strengthen border controls and security. These included faster acquisition and deployment of drones along the LAC. Both sides have been using an array of drones to keep an eye on each other during the conflict. The drones used had the capability to operate in adverse weather conditions and perform operations at height of over 10,000 meters and provide real-time video footage in all weather conditions.

Currently both globally and also in India, defence continues to be the largest segment. The Indian army has as part of its Make II program has significant requirements for the purchase of drones and also has published requirements for the purchase of integrated surveillance and loitering munition systems.

As of October 2022, Indian government issued request for proposal (RFP) for 80 mini Remotely Piloted Aerial Systems (RPAS) which can be used for military purposes such as tactical surveillance to locate adversary troops, equipment, and weapon systems in a particular sector. Shortly after this, government issued RFP for 750 RPAVs to be deployed with the Indian Army's Special Forces as they are mandated to execute special missions behind enemy lines. Additionally, the Army is looking for 1,000 surveillance drones to fly over the Himalayas and broadcast live video to the war rooms for planning attack at the time of war. Keeping the commitments for indigenous solution, these RPAVs and UAVs will all be procured from Indian businesses. In July 2022, The Defence Ministry approved a budget of ~US$ 88M to buy drones. The proposed budget would be used to procure autonomous surveillance and armed drone swarms. The armed forces already have and in future will partner with multiple indigenous drone manufacturers for this plan.

<u>Civil</u>

Energy and utilities: Drone surveys are helping solar energy, the fastest-growing sector of the energy industry. Drones can ensure that electrical panels are accurately analyzed and in good functioning order. These drones can be used to detect flaws like cracking, deamination, discoloration, and issues such as dust collection. Manual inspections are generally time-consuming and inaccurate compared with drones. Drones are also very useful for vegetation management where any vegetation that comes in contact with the powerline has to be trimmed and managed. Drones can significantly reduce the manual effort required in this for monitoring and inspection of power lines.

Agriculture: Weather, soil conditions, and temperature are all critical aspects of farming. Agriculture drones enable farmers to gather the information that can aid in crop health management, crop treatment, crop scouting, irrigation, field soil analysis, and crop damage assessments. Depending on national regulations, special permits are given to deploy drones for agricultural research purposes, which is likely to drive a wave of technology in the agriculture sector. Kisan drones are used in India for agriculture assessments, land records, insecticide, and nutrient applications. Under the guidelines of the Sub-Mission on Agricultural Mechanization (SMAM), provisions are made to encourage the use of drone technology in agriculture. For example, financial assistance of 100% of the cost of an agricultural drone up to a maximum of Rs. 10 lakhs per drone is provided for purchase by institutes under the Government of India engaged in agricultural activities. For promoting use of Kisan Drones, the government would be providing 50% or maximum INR 5 lakh subsidy to SC-ST, small and marginal, women and farmers of northeastern states to buy drones. Financial assistance will be given upto 40 percent or maximum INR 4 lakh for other farmers.

Media and entertainment: The use of drones in the entertainment industry has evolved over years and is seen as a product capable of mass influence. Film directors are using drones to capture aerial shots for specific scenarios that previously required helicopters, ultimately reducing operating costs. Aerial photography, which captures images from high elevations, has also grown in popularity. The Indian government held the 'Drone Olympics' during Asia's major air show, Aero India-2019, to allow drone pilots to demonstrate their ability to fly these machines.

GIS – Mapping and Surveying: SVAMITVA, a Central Sector Scheme of Ministry of Panchayati Raj was launched nation-wide by the Hon’ble Prime Minister on National Panchayati Raj Day, 24th April 2021 after successful completion of pilot phase of scheme (2020-2021) in 9 states. Scheme is a reformative step towards establishment of clear ownership of property in rural inhabited (Abadi) areas, by mapping of land parcels using drone technology and providing ‘Record of Rights’ to village household owners with issuance of legal ownership cards. The large opportunity in mapping (SVAMITVA program) is being rolled out as services projects by different state land revenue departments and Survey of India. Over six lakh villages are being mapped using geospatial technology and drones, and 3D pan-Indian mapping of 100 Indian cities are also being developed. Mapping of villages in the country is launched under the government’s SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) scheme. Full-scale re-surveys for mapping the entire land of states has also started. The data procured from the easy access to the geospatial technology has helped in maximizing the use and reuse of data since the launch of SVAMITVA. Future economic growth in India will be highlighted by the use of geospatial systems, drone regulation, and advances in space industry. Government is anticipating more innovative solutions and new business models in the coming times building value upon existing resources.

Mining: As per the amended Mineral Conservation and Development Rules, lessees having annual excavation plan of one million tonne or more or leased area of 50 hectare or more are required to submit drone survey images of leased area and up to 100 meter outside the lease boundary every year. This is mandated to improve mine planning practices, security and safety in the mines along with better supervision of mining operations. Drones can help to achieve many benefits for effective mine planning - conducting initial survey, carrying out exploration activity, physical terrain mapping for segregation of land use, contour mapping, 3D modelling and terrain modelling. Indian states have started to incorporate drone practices and are leveraging drones as part of mining automation. For instance, Andhra Pradesh government deployed drones for the monitoring of stockpile storage, 3D mapping, and volumetric analysis of limestone. Rajasthan government has deployed drones to prevent illegal mining in the state

Public Safety: There is a significant opportunity for adoption of drones in public safety. A number of state police departments have adopted drones as first responders for (Dial 100/112) and also for other use cases such as crowd monitoring, traffic management, beat patrolling, etc. India is already using the drone technology and trying to utilize its potential for safety. Recently, in Kolkata, police used a drone to patrol polling places where elections were being held. In CY16, Delhi Police piloted a squadron of drones to monitor temples and expressways on Republic Day.

Logistics / Delivery: The pandemic provided an opportunity for a number of drone companies to do delivery trials with medicine and vaccine delivery. The second half of this decade is expected to see a significant adoption of logistics drones both globally and in India. An increase in demand for faster and more efficient delivery at low cost is being witnessed especially in the e-commerce sector with customers willing to pay extra to get package is delivered on the same day. This is likely to increase the usage and acceptance of drones in logistics and transportation market in India.

Ban on imports from China due to security purposes

India and China are engaged in a sustained standoff along their disputed Himalayan border. Additionally, India is one of many nations trying to find alternatives to China for goods and components. The pandemic and international trade tensions intensify the need to diversify supply chains and reduce risk. An expanding market for China's SZ DJI Technology Co., a leading drone manufacturer, was essentially closed off due to India's recent restriction on drone imports. This encouraged the development of local businesses to boost production.

In February 2022, the Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce and Industry issued an order to ban the import of drones. However, Drones used only for research and development, defence, and security will be exempt from the ban. Import of drones will be allowed by government entities, central or state government approved educational institutions, and drone manufacturers and government recognized R&D entities provided an import authorization is obtained from the DGFT. In summary current geo-political environment, with economies decoupling with China, especially for anything related with data capture and analysis, coupled with Indian technological capabilities in the rugged environment of India, is a major contributing factor for Indian companies to expand globally in both defence and civil drone opportunities.

Relaxed guidelines on drones' usage and investments

The government is trying to facilitate the production and operation of drones with the recent liberalization of drone guidelines to make the market more accessible to drone start-ups and international investors. There are no restrictions for foreign owned/controlled Indian companies for operating drones in India. Consequently, the recent regulations aim to attract global investment in the sector. Over the next three years, the government has targeted an investment of ~US$ 600M in the drone manufacturing industry, creating over 10,000 job opportunities.

After the introduction of The Drone Rules 2021, drones are permitted to operate within green zones, and no remote pilot license is required for non-commercial use of micro drones. Recently a notification amending 'The Drone Rules 2021' stated that the Indian government introduced relaxed regulations on usage and registration of drones, pilot licenses and allowed drones to carry heavier payloads, to enable utilization of drones in multiple use cases.

While India has significantly lagged in drone adoption compared to other nations, recently there has been a strong push nationwide towards increased adoption of drones for various purposes. With the production linked incentive (PLI) scheme launched in September 2021, India will offer incentives for drone makers, to encourage and boost manufacturers to develop their products in India and export them to the world.

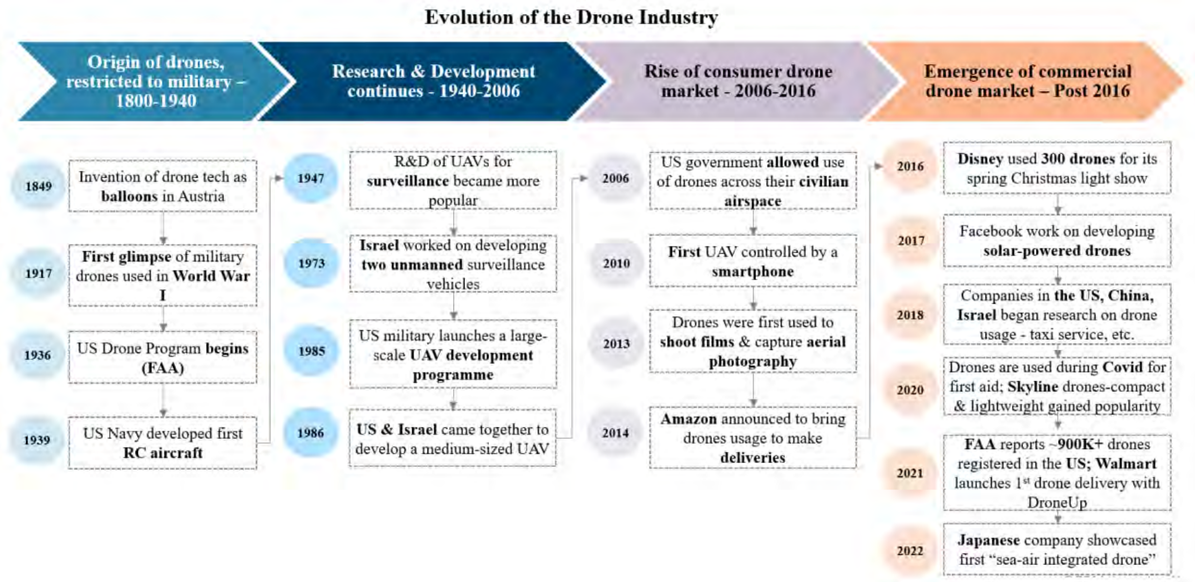
India positioning to become global drone hub

Since CY21, the Indian government has stepped up efforts to establish a sustainable drone manufacturing ecosystem in India. Over the span of last couple of years, there has been liberalization of drone regulations. Favorable policies, incentives and indigenous demand creations will be the vital drivers to make India a global drone hub. Government's goal is to establish India as a global powerhouse for drone research and development, testing, production, operation, and export. Application of drones is to be seen across industries such as defence and civil (industries such as health, agriculture, GIS, construction, real estate, etc.

GLOBAL UAV/ DRONE INDUSTRY

Evolution of the Drone Industry

The first usage of drones dates back to the 1850s. Drones have been used by armies all around the world for training, defence, surveillance operations and strikes on targets since the 1800s. Commercial drone permits weren't issued for almost 150 years after the first military usage of drones, despite the advancement of drone technologies. Today, drones are used in a wide variety of defence and civil applications that are growing across industries. Drone technology is a sunrise sector, poised for exponential growth worldwide. Its recent exponential expansion has been fueled by the rise of multiple use cases across varied industries.



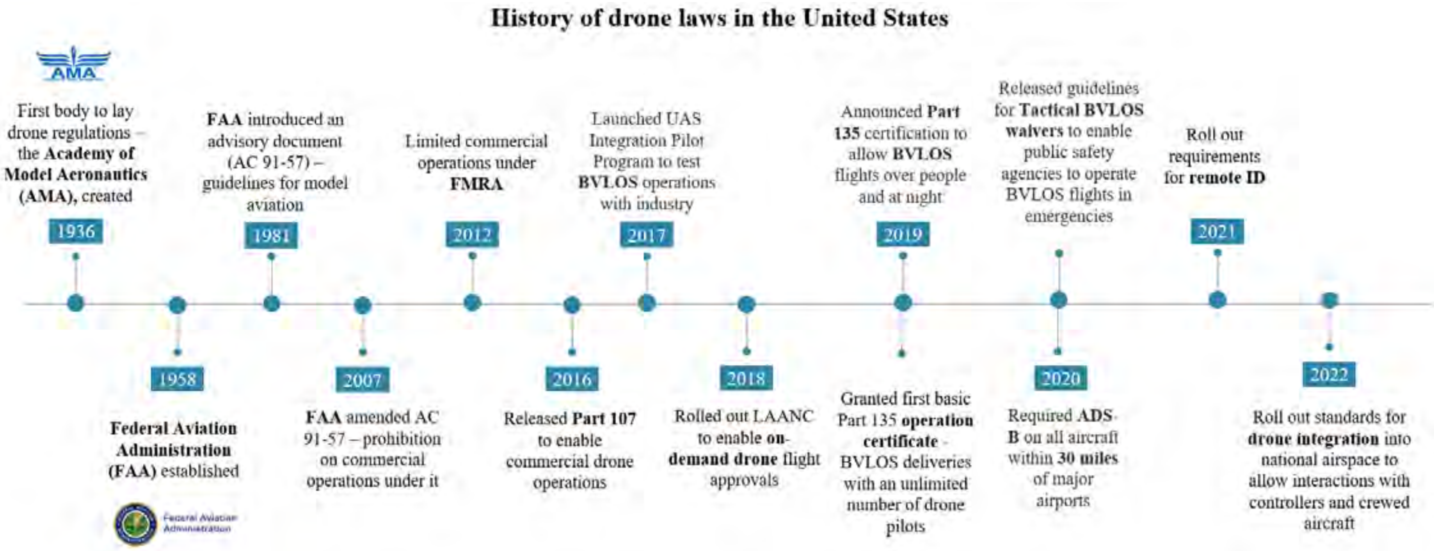
Drones have been used for various tasks in a wide range of sectors and applications for the past several years. Drones are proven to be quite helpful in places where humans cannot access or are unable to undertake tasks in a fast and effective manner, from battling in combat missions to express shipping and delivery.

UAVs are a subset of unmanned aerial systems (UASs). A UAS includes not only the unmanned aerial vehicles or drones, but also the Ground Control Station on the ground controlling the flight and the system in place that connects both of them. A UAV is a component of the UAS, since it refers to only the vehicle/aircraft itself. UAS also comprises of elements such as camera, GPS, system software and tools required for maintenance. While components such as cameras and GPS have developed in their own respective timelines, drone system software and ground control systems have evolved along with drones.

As drone usage grows globally, the global regulatory landscape has also evolved in sync with the industry needs to guarantee innovation and widespread acceptance of drones.

Drone regulations

The global use of drones, as well as their technology, range and use cases are growing at an exponential rate and this calls for the continued evolution of the regulatory framework, accompanying security measures and related economic arrangements. The use of drones is regulated by extensive laws that have been developed by nations around the world after careful deliberation of the relevant concerns. The United States has been working on creating a regulatory framework for drones for almost a century and is a global leader in drones. The Federal Aviation Administration's (F.A.A.) move to streamline approvals for drone flight, makes the future of drones promising as more sectors adopt drones and find new use cases that offer better value.

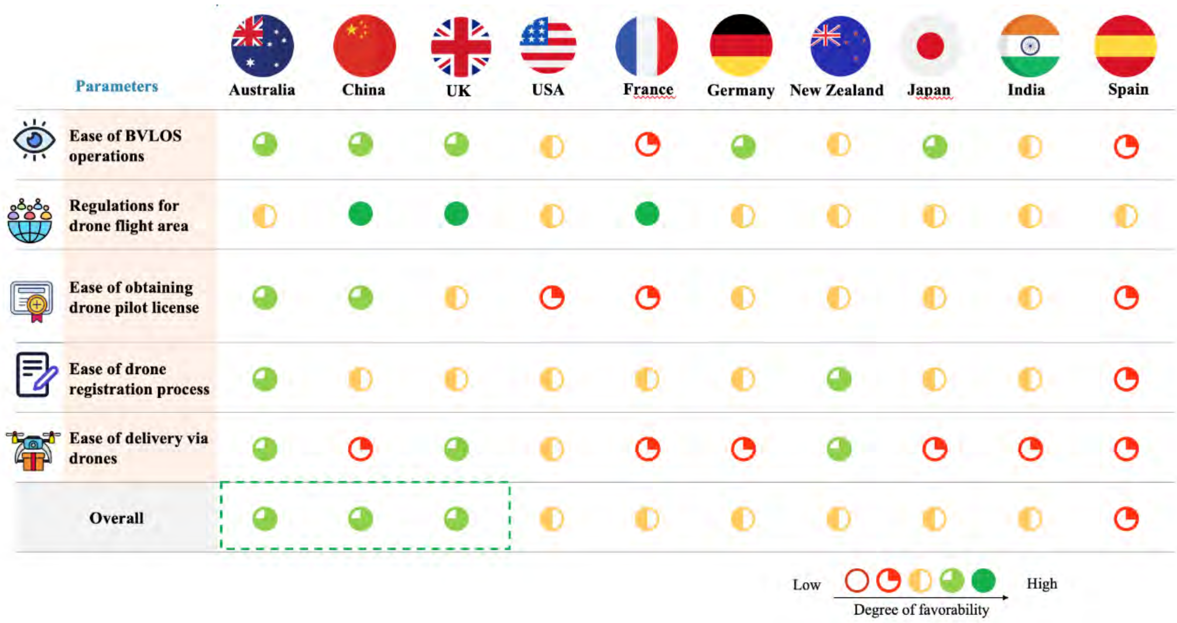


Drone regulations vary from country to country, with no universally applicable international drone legislation yet. However, regulatory frameworks are being developed by national and international aviation authorities to ensure that drones be used in safe and beneficial ways for business.

Global drone regulations currently have varying levels of maturity across countries and will continue to evolve with the growth of the drone industry

The increasing usage of drones has prompted a variety of responses from legislators around the world. Nations like Australia, U.K. and China have made it possible for businesses to use drones with minimal regulations, while some nations such as Cuba, Iraq, Iran, and Kuwait have officially outlawed the use of unmanned aircraft, others have established legislation allowing for more experimental use of the technology. Drones are increasingly being used in defence and civil segements. In civil, there are a a variety of industries, including infrastructure, retail, agriculture, logistics, and many more. As a result, these markets have seen significant capital invested in their drone ecosystems and are driving innovation within the market.

The regulatory environment as it stands today in 10 nations across five continents is shown in the table below. Many nations have moved towards the liberalized approach of regulatory framework to ensure a legal climate that is business friendly.



Globally, most governments have restrictions on Beyond Visual Line of Sight (BVLOS) operations,which refers to flying a drone beyond the remote pilot or operators visible range. This limits the number of applications that drones can be used for. Increasingly most countries are moving towards removing restrictions and have started allowing BVLOS operations.. As a result, the applications that drones can serve will increase and the operational cost of operation will go down as this enables autonomous operations and the ability of one drone pilot to operate multiple drones. Allowing BVLOS operation will significantly increase the demand for drones.

The major countries in drone operations are Australia, China and U.K. These countries possess advanced regulatory frameworks which have evolved over time. Although U.S. leads the drone industry innovation but still have stringent regulations which have been getting more liberal over time. BVLOS operations are prohibited in certain countries like USA, France, New Zealand unless a waiver is requested. In the US, the Federal Aviation Administrator (FAA) has recently come out with the draft guidelines for BVLOS operation. The degree of ease of getting a waiver approved is drastically low in such countries. While countries like Australia, UK, New Zealand have already started with drone delivery operations, other nations are still in their trial and testing phase of drone delivery operations.

While ease of drone operation varies significantly worldwide, the general national drone usage guidelines typically include the following components – pilot's license, LOS operations, flight over people, registration rules etc. This process of registration includes UIN (Unique Identification Number), pilot certificate and license for drones that are required to undertake flight operations within green areas. Pilot licensing mandates which include pilot's age, training requirements, etc. are more favorable in countries such as Australia, China followed by nations like UK, New Zealand, India. This is due to the simplification of regulations and approval-seeking process by the government in such nations.

The major countries in drone operations are Australia, China and U.K. These countries possess advanced regulatory frameworks which have evolved over time. Although U.S. leads the drone industry innovation but still have stringent regulations which have been getting more liberal over time. BVLOS operations are prohibited in certain countries like USA, France, New Zealand unless a waiver is requested. The degree of ease of getting a waiver approved is drastically low in such countries. While countries like Australia, UK, New Zealand have already started with drone delivery operations, other nations are still in their trial and testing phase of drone delivery operations.

The regulatory bodies in India have taken a step towards a more liberalized approach after considering the potential of drones in boosting the economy. With the new 'The Drone Rules 2021', the government has taken several measures such as reducing extensive paperwork involved, increasing the number of "free to fly" green zones, and simplifying granting of permission for every drone flight, among others. The Indian legislatures believe that drones have significant advantages to different sectors of the economy and are creators of employment and economic growth. As a result this transformed outlook and upcoming regulations will help boost the manufacturing potential in India to make India the drone hub of the world by CY30.

Key trends in the global drone industry

- *Relaxation in drone regulations:* Several aviation authorities have relaxed their guidelines to allow commercial and recreational use of drones. Previously, without a waiver, unmanned aircraft were generally not permitted to fly over people or out of the operator's line of sight. But as laws soften and drone usage increases for business purposes, widespread use of drones is sure to follow.
- *Growth in Enterprise usage:* Technological advances from defence-funded R&D are anticipated to produce more enterprise-ready drone technology, accelerating adoption in the enterprise sector. Enterprise usage will continue to be driven by applications in GIS, agriculture, utilities, construction, oil and gas etc. due to low cost of service, improved operational efficiency, accuracy of data and safety. A few industries like mining, construction and agriculture have used drones for the past few years due to a healthy return-on-investment evaluation in such use cases.
- *Drone-as-a-service:* The "As a Service" concept has gained much traction in the tech sector. Similarly, corporations are using drones-as-a-service models, which is gaining significant traction due to higher operational efficiency and reduced cost. Drones can help various industries by incorporating specialized software into the embedded system, such as construction, mining, agriculture, utilities etc.
- *Positive attitude towards BVLOS:* Drones can travel great distances while operating in BVLOS, which increases data collection and boosts operational effectiveness. This is important for many industries, including security, data gathering and logistics. Nations such as the UK, Canada, Singapore, and Kenya have allowed BVLOS operations for different purposes and use cases. Considering the improving regulatory attitudes, it seems that BVLOS would be enabled on a larger scale.
- *A shift in the demand away from Chinese drones:* Countries have been disassociating from Made in China drones due to rise in anti-China sentiment and data-related security concerns.

- *Drone swarms is an emerging trend:* In China, drones collectively navigated a dense forest with their trajectories controlled by central computers monitoring their positions and issuing commands. AI-enabled swarm drones can also boost operations readiness at the borders of neighboring countries.
- *Drone in a Box (DiB):* It allows drones to navigate and return to self-contained landing "boxes." The three necessary components required to successfully implement DiB include a drone with automatic charging, a box for drone launch and land and a control software used to control flight routes.

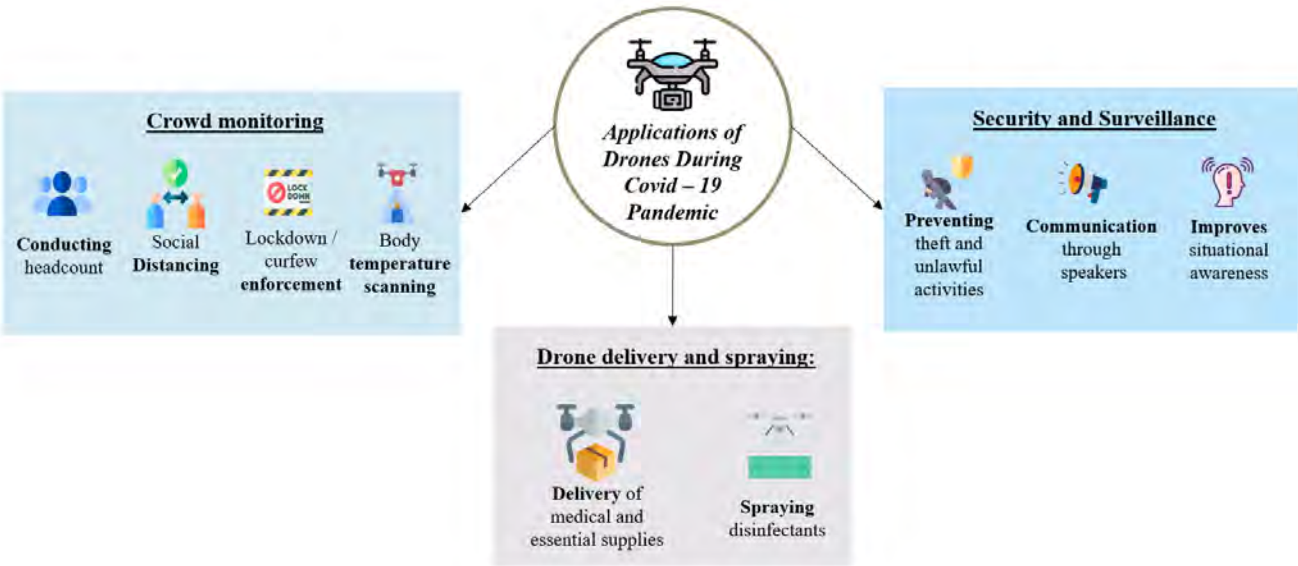
COVID-19 has accelerated the growth and reshaped the global drone industry

Drone technology has existed for a while, but it has started to evolve rapidly towards its considerable potential during the pandemic. The crisis has resulted in an acceleration in the adoption of drone technologies. The pandemic pushed the world further into the future as businesses are forced to adapt to cutting-edge technology to provide services to customers.

Positive impact on the global drone industry

- *Emerging role of drone use cases:* Drones were used for contact-free delivery, surveillance, enforcement, and hygiene applications, to combat the pandemic.
- *Exemptions for the usage of drones:* Administrative exemptions from existing, limiting airspace regulations and fast-track partial deregulation were undertaken to deploy drones against COVID-19.
- *Shifting attitudes towards drone usage for emergencies:* Positive experiences with drones during the epidemic have altered perceptions of drones and boosted support for non-emergency uses. Hence, developing the capability for future emergency responses.

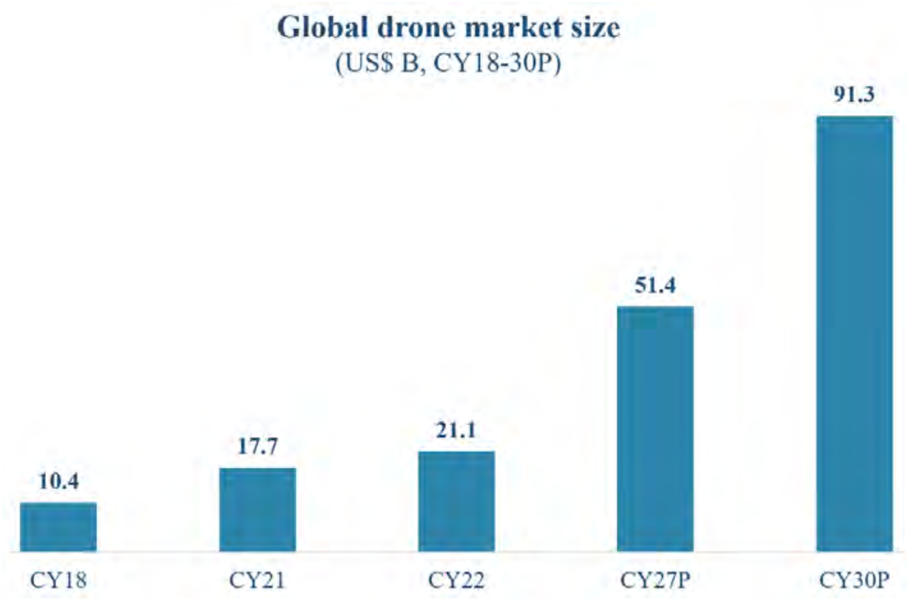
The drone industry was growing at a normal pace before the pandemic. However, due to the growing drone usage across different sectors, relaxation and simplification of drone regulations and growing drone benefits ranging from cost competitiveness to reduction in labour risk, have contributed more to the growth of the drone industry at a faster pace.



The global drone industry is expected to increase in a fast pace at a CAGR of ~20% from CY22-30, reaching US$ ~91.3B by CY30

The global drone industry is estimated to be US$ 21.1B in CY22. The industry has witnessed a significant growth at a CAGR of 19% over CY18-22 and is expected to grow even faster at a CAGR of 20% to be ~US$ 51.4B in CY27 and further leap to ~US$ 91.3B by CY30.

With global drone market poised to become US$ 51.4B market in CY27, drones are expected to be the disrupters of the future. They are revolutionizing a number of spaces - notably military, and on the civil front emergency services, aerospace, and potentially even the taxi industry.



(CAGR, %)

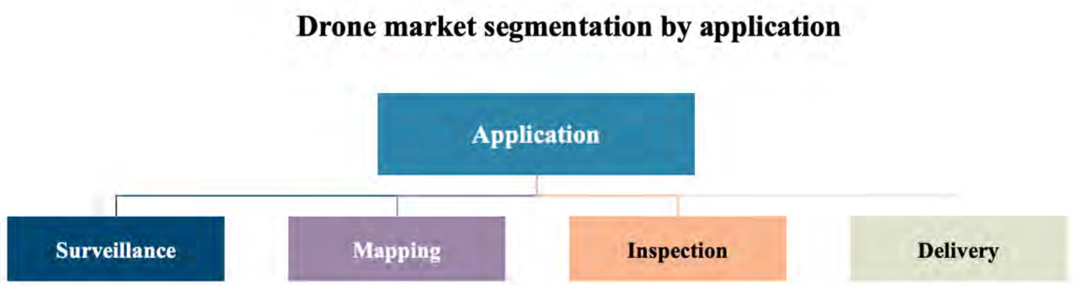
CY18-22	19%
CY22-27P	20%
CY22-30P	20%

Key reasons for increase in drone adoption

- *Low operation cost of drones:* Drones can significantly reduce fuel and labor costs compared to conventional methods. conventional methods. Drones can be proved useful if high volume of deliveries are to be fulfilled across a larger geography compared to traditional methods, helping save resources and reduce costs for enterprises.
- *Environment-friendly:* Due to use of battery-based technology make drones operate on renewable energy making them environment friendly.
- *Time efficiency:* Drones facilitate faster, reliable delivery services by providing a predictable delivery time. In France during a cost assessment analysis of drones, drone delivery of biomedical samples took about 15 minutes on average, compared to 42 minutes estimated for road delivery.
- *Advancement in technology:* Due to technological advancement, drones can conduct large-scale operations. Mapping and surveillance applications are widely used in mining, construction, traffic management, earth sciences etc.
- *Authentic data collection:* Any innovation that might improve and facilitate data collection is highly desired. Thus, drones gained value for authentic data collection thus providing higher return on their investment.
- *Favorable regulations:* Despite initial opposition to defining clear drone regulations, the last decade has seen a shift in policy and regulatory approach. The laws governing drone operations are currently being liberalized to unleash the full potential of drones.

Drone segments by application

Drone applications can be majorly clarified into 4 broad categories, Surveillance, Mapping, Inspection and Delivery

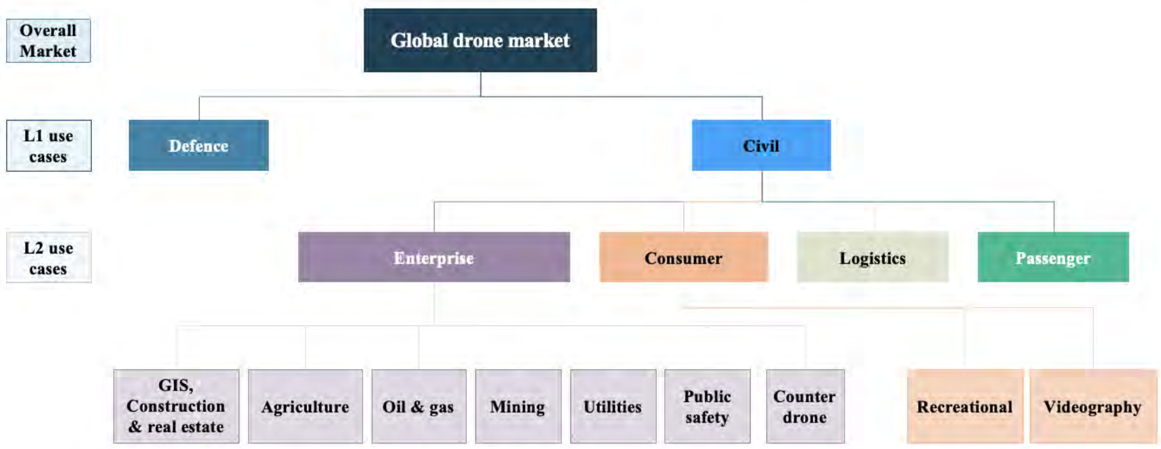


- *Surveillance:* Drones provide high-performance aerial vision providing a real-time video feed, in daytime as well as night via advanced payloads. Drones provide an easy way to get a bird's eye view of large areas. These days drone are also equipped with advanced analytics capabilities such as, target detection, target tracking and moving target indicator.

- *Mapping:* Drone technology showcases a huge potential for surveyors and GIS services where aerial photographs taken from drones using different types of sensors can provide accurate mapping information. It greatly cuts the cost and work hours of data capture. Further, drones can survey otherwise unreachable areas and deliver high-resolution aerial maps that would be otherwise impossible to produce in a safe or cost-effective way. Drones can help to achieve many benefits for effective mine planning - conducting initial survey, carrying out exploration activity, physical terrain mapping for segregation of land use, contour mapping, 3D modelling, terrain modelling and stockpile management. In agriculture, multispectral mapping can be used for crop health monitoring and yield estimation. There are a number of new sensors such as LiDAR, which enable the ability to create 3D maps and point clouds.
- *Inspection:* Inspection drones are redefining manual inspection procedures by enabling inspectors to collect inspection data rapidly while eliminating risky, labor-intensive human stages. There are a number of inspection use cases such as property inspection, railway inspection, bridge, pipeline inspection.
- *Delivery:* Drone delivery services can be used to distribute prescription drugs, packages, groceries, food, and other home healthcare supplies. Another specific application of delivery is spraying drones which can make a big difference in agriculture with more precise delivery of fertilizer and pesticides

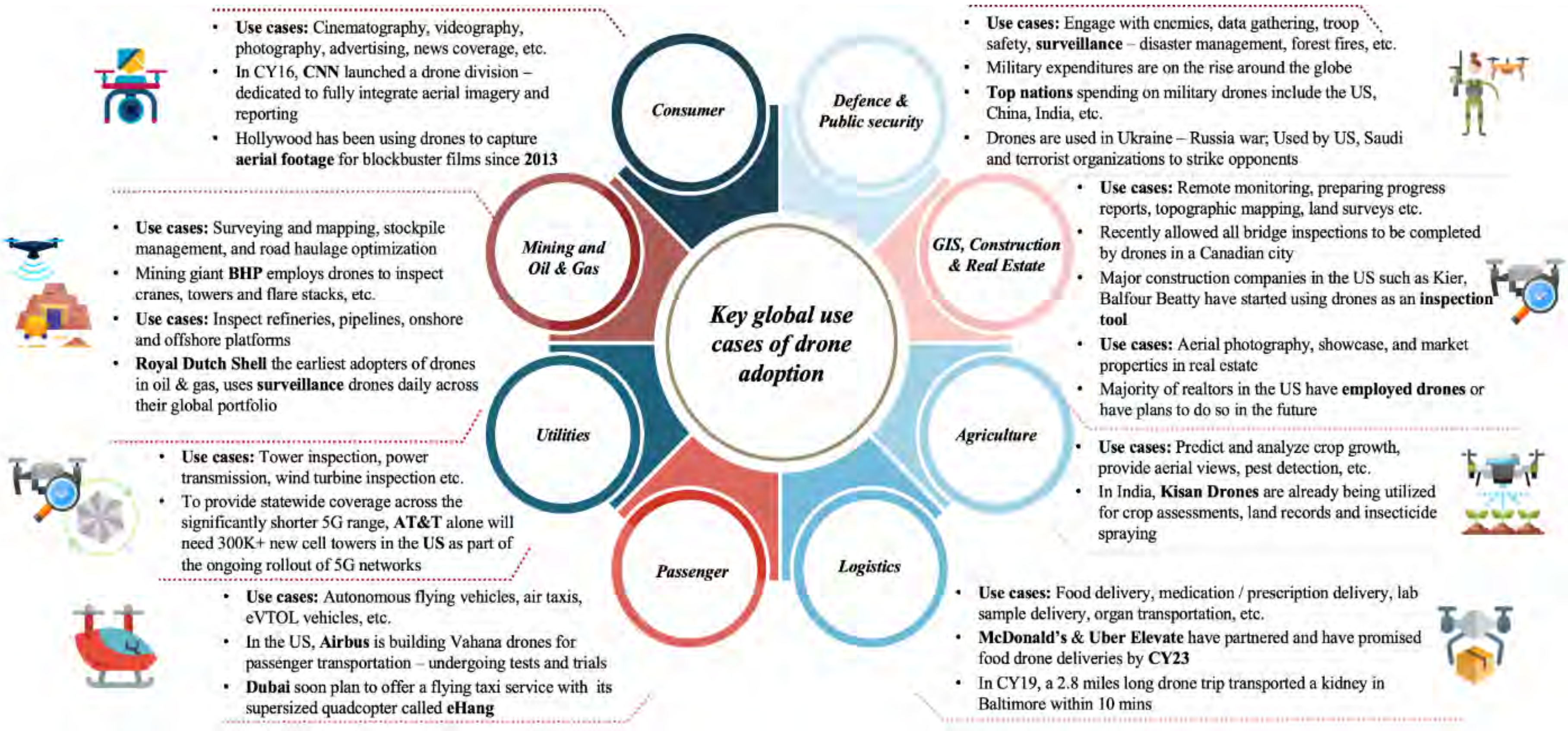
The versatility of drones due to their numerous benefits is crucial in unlocking their potential across various industries such as defence, consumer, logistics, among others. Ultimately, the growth and adoption of drones in a particular industry is driven by the direct correlation between the benefits of drones and evolving nature of the use cases. The L1 use cases encompasses both military and civil (non-military) applications, while L2 technology encompasses the deployment of drones across various non-military settings with the aim of reducing the need for human labor, time and productivity.

Global drone market segmentation by use case



Evolution of use cases of drones

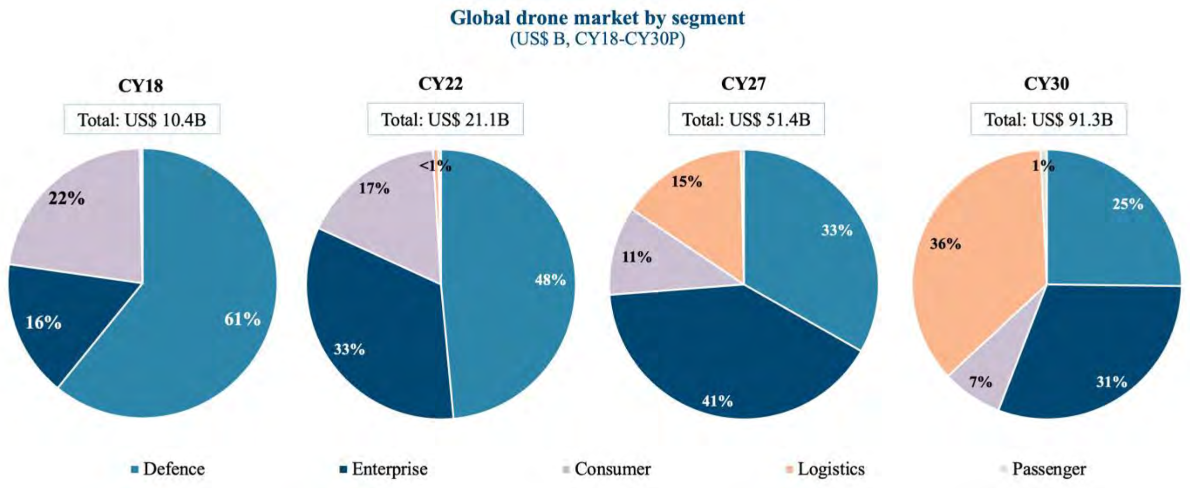
Amazon's announcement that it would employ drones to deliver packages in CY13 marked a turning point for the drone industry. Since then, drones and drone-based services have skyrocketed in the retail and business sectors. Drones are being explored extensively across various industries, including construction, real estate, e-commerce, agriculture, utilities and energy, financial services, and media and entertainment.



The Global drone industry is rapidly expanding into various business segments

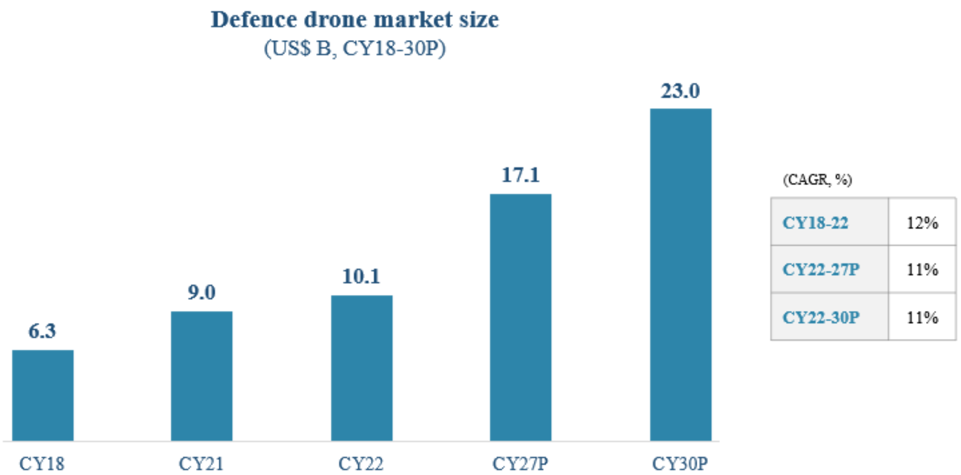
Similar to microwaves, computers, GPS and the Internet, drones were initially created for military purposes but have now also evolved for enterprise and civil usage. While traditional uses for drones, such as security, surveillance, and monitoring, continue to expand, especially in areas where labor costs and human risks are high, almost every industry has room for this technology, from real estate, construction, and mining to public safety, insurance, journalism, agriculture, transportation, energy, and telecommunication costs.

Within the global drone market, defence has had the largest share in CY18 and is expected to have the largest share (48%) in CY22 as well. As defence technology is adapted for commercial use and relaxed regulations, usage of drones in enterprise sector is expected to grow and contribute ~41% of the total market in CY27. The regulations are stringent for drone use in the logistics sector currently, although the situation is expected to change with relaxed norms for drone deliveries and other logistical use cases. The logistics drone market is expected to have the largest share of the overall drone market in CY30, followed by enterprise and defence.



Defence

Modern defence has been reshaped to engage enemies without endangering soldiers' lives. The global defence drone market size was estimated to be around 60% of the entire drone market at US$ 6.3B in CY18. The growth of artificial intelligence and robotics-based applications in drones have led to their increased adoption in the defence sector.



Over the next decade, A.I. based drones will augment existing platforms with new capabilities and empower humans to use robotic systems to improve safety and decision-making. The market is projected to grow from US$ 10.1B in CY22 to US$ 17.1B by CY27 and US$ 23B by CY30, exhibiting a stable CAGR of around 11% during CY22-27 and CY27-30. With global defence spending growing at a CAGR of 4.4% from US$ 1.86T in CY18 to

US$ 2.11T in CY21 and the race to gain air superiority, the defence sector is expected drive innovation in the overall drone market and remain a significant contributor till CY27.

Since the 1950s, the U.S. Department of Defense has employed drones in most military operations for the observation, surveillance, and intelligence of enemy forces. A number of countries are already using military drones. Drones in defence can be classified into three broad categories based on their usage:

- *Intelligence, surveillance, target acquisition and reconnaissance (ISTAR):* Drones are considered the best when it comes to data gathering and surveillance across borders. These drones can be deployed kilometers away and provide real-time updates. Drones with artificial intelligence also communicate continuously and provide information on any threat / movement around borders.

- *Combat:* Drones used for combat are armed with guns, cannons, munitions and other types of arsenals. They engage in air-to-air and air-to-ground combat against enemies or provide close air support to ground troops.

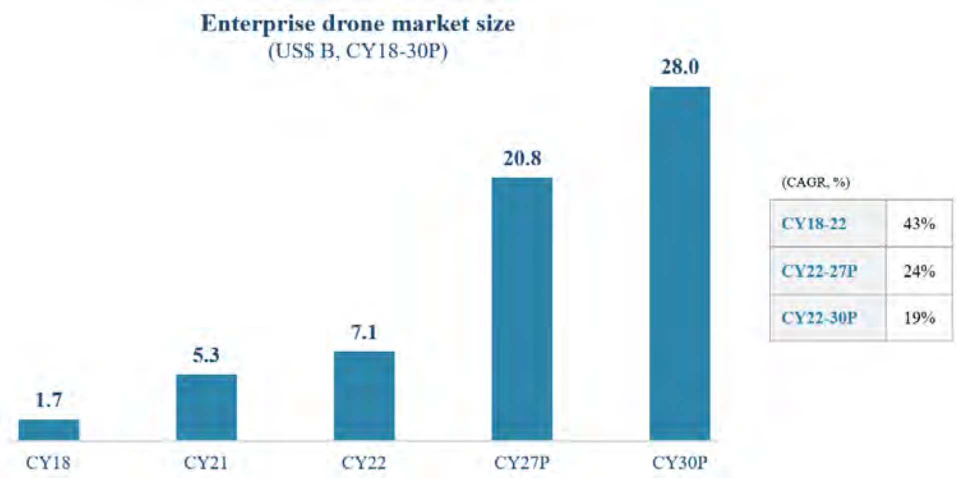
- *Logistical support:* Drones can be used to offer logistical support to soldiers who are on the battlefield or in difficult-to-reach places. Drones can develop supply networks that get supplies to troops quickly without possibly losing an individual. Drones step in and replace traditional logistics techniques when combat zones and stations are difficult to reach.

By use case, drones in defence can be classified as large, micro and counter drones. Spend on the large defence drones, which are high altitude pseudo satellite (HAPS), high altitude long endurance (HALE) and medium altitude long endurance (MALE) drones, account for and will continue to account for the highest share of global defence market, but micro drones, which are compact rotary drones, are on the rise. Currently majority of the spending on counter-drones by the defence sector was only towards R&D contracts and not actual procurement and usage, as current counter-drone systems either offer unproven capabilities or perform differently than advertised outside of a controlled environment.

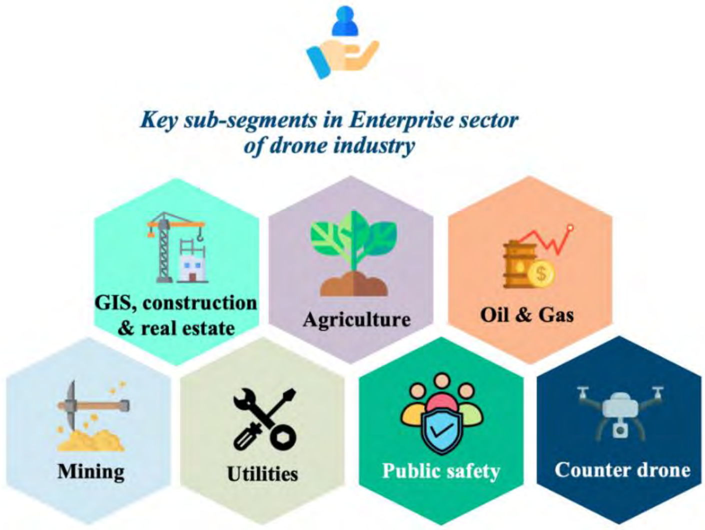
The global defence drone market expansion is anticipated to be aided by the rise in defence spending as more nations purchase modern, technologically advanced military drones/UAVs for enhanced combat capability from drone suppliers who benefit from high entry barriers like capital requirements and technological prowess in the defence industry. Rising cross-border conflicts in several countries will also drive drone usage in defence space for surveillance.

Civil

Civil comprises of enterprise, consumer, logistics and passenger segments. Enterprise drone market has been the fastest-growing drone market segment, having grown at a CAGR of 43% from CY18 to CY22. It is the second largest market after the defence sector, pegged at US$ 7.1B in CY22.

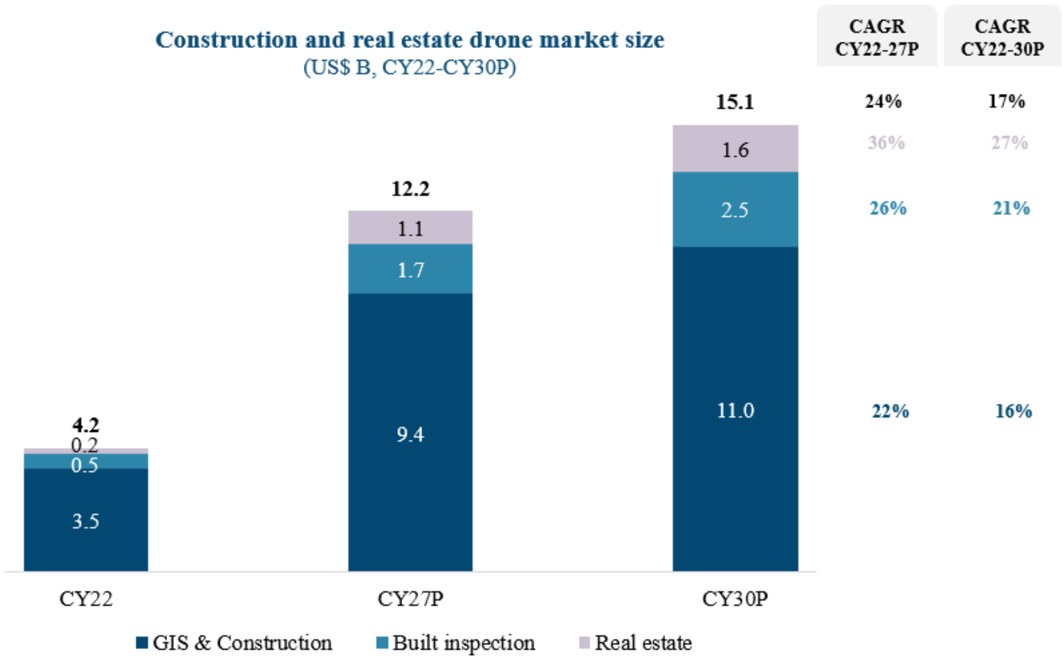


Currently, the enterprise drone market is in its nascent stages with regulatory complications such as the Line-of-Sight requirement, among others. Drones are expected to be employed on a massive scale in various industries, with construction and real estate and agriculture being the most significant segments of the enterprise drone market due to them being early adopters of the technology. Research and development into advanced drone technology and industry-specific software are expected to drive adoption and improved operational efficiencies. With increasing drone autonomy and an uptick in drone licenses and registrations, the cost of drone adoption will lower, further encouraging more use cases across various industries.



GIS, Construction and Real estate

The GIS, construction and real estate drone market comprises of GIS, construction, built inspection and real estate markets combined. The market is expected to go from US$ 4.2B in CY22 to US$ 12.2B in CY27, growing at a CAGR of 24%, with real estate being the fastest growing segment amongst the three and construction to make up ~77% of the construction and real estate market in CY27.



GIS & Construction

The GIS & construction drone market is the largest global enterprise drone market segment, standing at US$ 3.5B in CY22. The market is expected to be US$ 9.4B in CY27, growing at a CAGR of 22% between CY22-27, considering the relaxation of drone regulations for enterprise use. Drones are being used to improve the efficiency of construction operations by aiding land surveys, progress monitoring, and safety check functions. A.I.-backed drone technology is now being deployed to plan construction sites, quantify resources and manage assets on-site.

The impact of COVID-19 on the construction industry has aided the adoption of drones by the industry. The pandemic resulted in the reduction of on-site workers and adoption of drone technology to monitor sites and ensure worker safety. Construction companies majorly work on asset-light models and lease equipment on a project-to-project basis and these companies will use drones-as-a-service. For that reason, the construction industry is expected to move quickly towards automation of drone-based data collection and analysis.

Built Inspection

Built inspection or Built Environment Inspection (BEI) refers to the examination of completed structures such as bridges, railroads, and buildings with the help of drone technology. The global drone-built environment inspection market is currently at a size of US$ 0.5B in CY22 and is projected to reach US$ 1.7B in CY27, growing at a CAGR of 28%. Increase in BVLOS acceptance, improved autonomy, and powerful data analytics will allow BEI to grow as one of the largest markets for enterprise drones through CY30. In a test survey conducted by Arcadis, a global engineering consultancy, saw that surveillance led by drone took less than half the time taken by traditional methods.

The primary benefits of deploying drones for built inspection include:

- **Increased safety for inspectors:** Inspector no longer has to be put into potentially hazardous circumstances.
- **Savings on cost of temporary structures:** Companies can save on inspection costs by not having to construct scaffolding or other transient infrastructure for a manual inspection.
- **Reduction in insurance cost:** Companies can dramatically lower their insurance-related costs by drastically reducing the time employees are exposed to risky situations.
- **Helps create a digital footprint of the company's assets:** Visual data collected by drones help companies retrieve a digital record of an asset's life history at any moment.
- **Advantageous for nuclear power plants:** Currently, nuclear power reactors or pressure vessels are turned off before every inspection. This downtime results in a revenue loss which can be resolved by drones to a great extent.

BEI can be divided into three sub-categories: railway inspection, bridge inspection, and property inspection.

Railway inspection:

The major use cases for drones are to examine bridges, remote railway networks, and radio towers on railroads. Growth of drone-based inspection will majorly be driven by relaxation on BVLOS flight limits in low human density areas. The on-time approval of BVLOS operations will act as a catalyst. Soon, drones that launch from and land in self-contained "boxes" will be strategically placed to carry out autonomous inspections. Asset-light railroad owners who do not want to maintain a distributed crew of drone monitors will probably scale back their internal drone operations in favor of an outsourced model as autonomous drone railway inspections become more prevalent. For instance, BNSF Railway Co., a US based rail infrastructure company, is employing drones to optimize inspection procedures for its rail network.

Bridge inspection:

Ageing bridge infrastructure, slow and traditional bridge inspection methods and an increase in the frequency of bridge inspection will majorly drive the bridge inspection by drones cost-effectively. Drones are increasingly performing autonomous bridge inspection missions on-site and are becoming standard equipment on utility vehicles. The time and cost for bridge inspection by drones is drastically less than traditional assessment methods. For instance, drones are used by state transportation departments in the U.S. for surveying and emergency response. Using drones-based bridge inspections they were able to save up to 70% of traditional assessment method cost. In the US, Schemmer Associates Inc., engineering and construction-based consulting firm, deploys drones to assist in bridge inspections, ensuring inspector's safety and reach in accessible locations.

Property inspection:

Drones are useful tools for monitoring properties and identifying potential problems. Detecting property changes, inspection of landscape damages, roof damages, etc. are some of its primary use cases. Also, they are revolutionizing how insurance companies and building inspectors inspect structures. Since CY15, insurance companies have been using drones to expedite risky and time-consuming inspections at claim locations while keeping staff safely on the ground. Drones are already becoming commonplace among those who handle insurance claims. The increased adoption rate for property inspection will be accelerated by insurance companies seeking to take benefit of the efficiency gains due to drones. To conduct regular annual inspections on tall buildings, building inspectors either build costly scaffolding or rappel down the sides of the buildings. Except for repair work, drones will make scaffolding and rappelling obsolete. A Canadian company, Industrial SkyWorks Inc., have used drones to examine walls and roofs of structures at night.

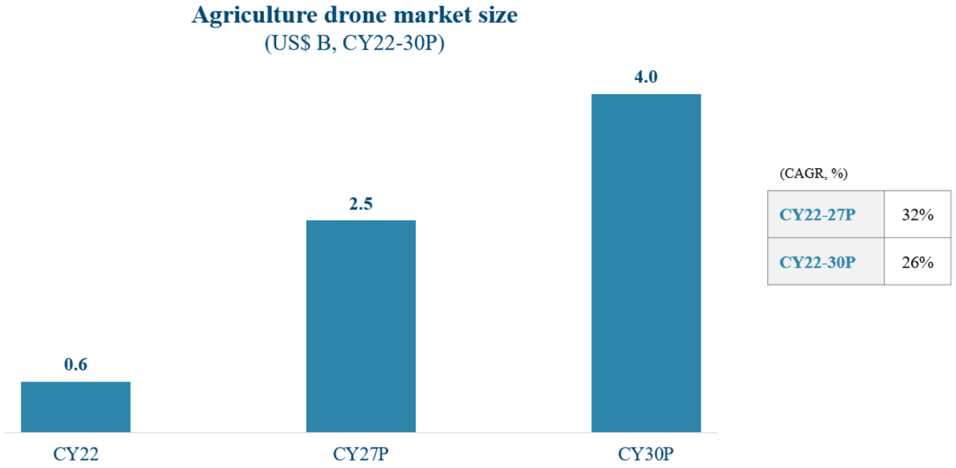
Real estate

Drones have been used in the real estate market for a long time. The market is expected to grow at a CAGR of 41%, from US$ 0.2B in CY22 to US$1.1B in CY27. With many use cases such as real estate marketing, aerial video tours, and resort living to 360 panoramas, real estate will continue to be a competitive market for drones. Agents who use drones for real estate could potentially see an increase in their listings and a higher chance of deal closing. The use of drones has been steadily increasing since the COVID-19-induced lockdowns, where a rise in 3D panoramic virtual tours was on the rise. With increasing adoption due to comparatively relaxed regulatory norms and growing demand for virtual panoramic views of properties, this segment is expected to grow in the next five years. A recent project of surveying a village in India where nearly 80 drones deployed for data collection, saw that the cost was reduced roughly by 4 times when compared with traditional methods.

Agriculture

Drone technology is increasingly being used by agricultural businesses worldwide to modernize farming. Agriculture drones would carry sensors that can provide real-time information on crop status or animal movement, allowing for efficient and precise decision-making on operations and management. These drones may be upgraded with various sensor payload configurations and digital imaging capabilities for field surveys, crop monitoring, spraying, spreading applications, and livestock and fisheries surveillance. The global agriculture drone market is estimated to be US$ 0.6B in CY22 and projected to reach US$ 2.5B by CY27, growing at a CAGR of 32%.

Yamaha Motor India Pvt. Ltd., a Japanese multinational manufacturer of motorized products, began selling multi-rotor drones in CY18 as demand surged in Japan. Operators rent 2,500 or more manual radio-controlled or fully autonomous Yamaha drones to spray roughly 42% of Japan's paddy fields. In South Korea, nearly 100 manual radio-controlled or fully autonomous drones are in operation. Yamaha has begun rolling out its technology in Australia and New Zealand, as well as in the U.S.A., where the F.A.A. has granted Yamaha permission to conduct commercial trial services and research. Similar to Yamaha, a number of companies like SZ DJI Technology Co., Ltd, Parrot Drones SAS, and PrecisionHawk Inc. have been providing drone based agricultural solutions to governments, enterprises and the public, across the world.



Precision agriculture improves farm efficiency by utilizing technologies capable of rapid data insight analysis and is being used by large commercial farms currently in the U.S. Among the plethora of applications for drones in agriculture, precision agriculture applications will be focused on as 'drone-based agriculture', which is anticipated to be a premium service until CY25 due to the prohibitive costs of high-tech drone services.

Soil and crop monitoring

High-resolution aerial photos can create 3D maps for crop and soil analysis, which can be used to design seed planting patterns, regulate irrigation and nitrogen levels, and monitor crop development throughout the season. Soil and crop monitoring can be performed by using satellites, general aviation aircraft, and drones.

Satellites can collect vast amounts of data. However, high-resolution satellite photography is costly, has limited revisit times, and is vulnerable to weather conditions. General aviation planes are less expensive than satellites. They can cover more ground than drones making them ideal for surveying large areas, but produce lower-resolution imagery than drones. Drones can monitor crops and soil on large pieces of land while being cost and time effective.

Parameters	Satellite	General aviation aircraft	Drone
Operational expense	Very high	Medium	Low
High resolution imagery	Available, but expensive	Low availability	High
Revisit times	Highly limited	Unlimited	Unlimited
Vulnerability to weather conditions	High	Medium	Low
Most suitable area size	Extremely large areas	Very large areas	Medium and large areas

Irrigation and crop spraying

Drones for crop spraying are still relatively new in adoption, but they are gaining traction. Due to the limited availability of drones for crop spraying and local drone regulations, this use case has witnessed slow adoption. However, crop-spraying drones will become more widely used, with many countries such as China, the United States, India, and the European Union relaxing drone laws related to agriculture.

Many components of farming are still labor-intensive, and manually spraying chemicals is difficult, dangerous, and time-consuming. Using drone technology to spray crops avoids any detrimental effects pesticides may have on humans. Drones are a faster and more effective use of resources in farming. Another advantage of employing drones for crop spraying is that they can reach locations challenging to access by land.

Health assessment

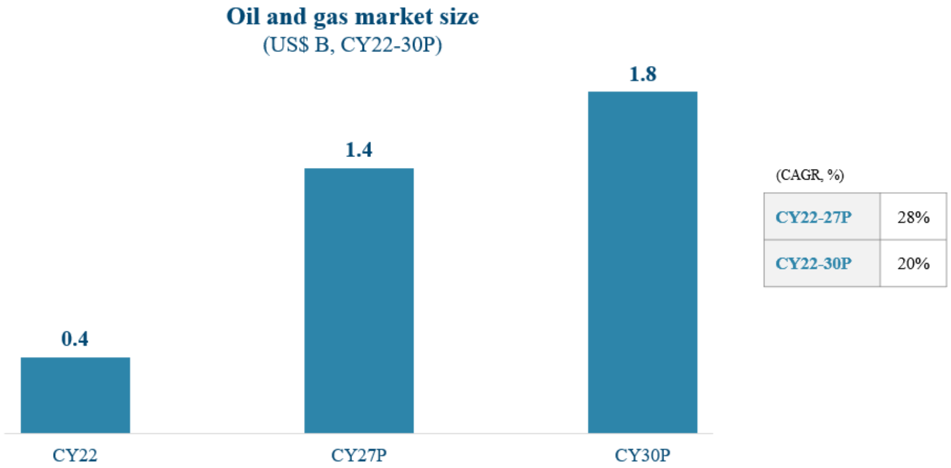
Drones configured with sensors capable of scanning crops with visible and near-infrared light can be used to check crop health over time to understand when to follow corrective actions. Farmers can use data from modern sensors presented as 2D or 3D models to understand better and find new ways to boost crop yields while decreasing crop damage. This data can then also be used to develop crop damage valuations for crop insurance as traditional inspection methods can be slow and inaccurate.

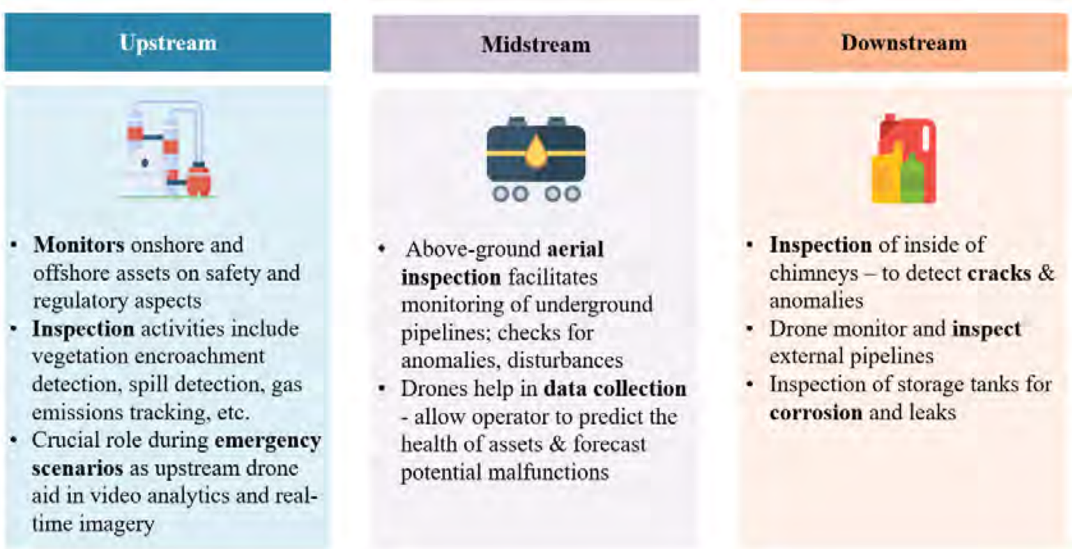
Globally, drone-based precision agriculture is likely to continue to be provided as a managed service offered to farmers as part of package deals with seed and crop protection companies.

The farming subsidies for drone services will increase as governments move towards adopting technology in agriculture to maintain adequate food supply for their growing populations. In December 2021, the Government of India released the Standard Operating Procedure (SOP) for the use of drones in crop protection and spraying. Several countries are releasing guidelines on the usage of drones in agriculture as a thumbs up to technology's potential benefits.

Oil and Gas

Drones are used in the oil and gas sector to check platforms on land and at sea, pipelines, and refineries. Drones enhance worker safety in the oil and gas sector while lowering inspection and maintenance expenses. The global oil and gas-based drone market is currently valued at US$ 0.4B in CY22, which is projected to reach US$ 1.4B by CY27, growing at a CAGR of 28%. In the future, development of autonomous drones will help reduce critical infrastructure downtime and allow faster inspections of hazardous areas.



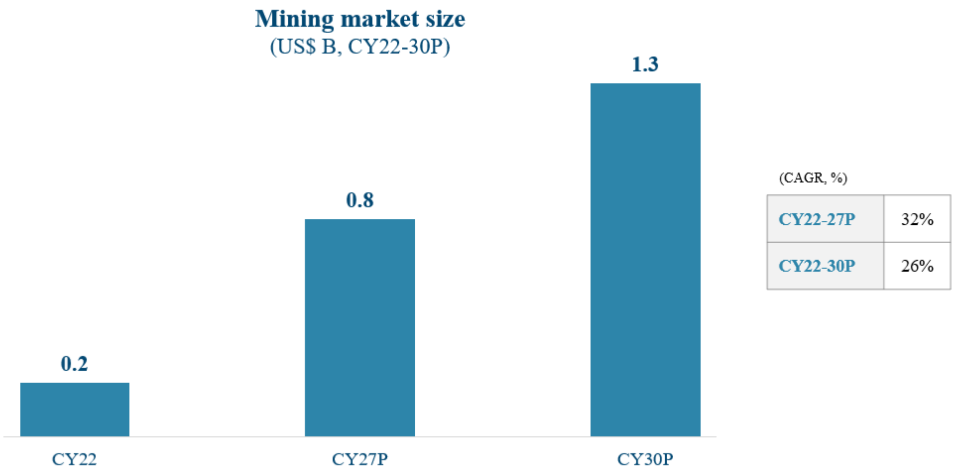


The usage of drones in the oil and gas sector is divided into three segments: upstream, midstream, and downstream. The upstream segment includes the discovery and production of oil and gas, such as drilling and bringing resources to the surface. The midstream segment refers to all activities necessary for transporting and storing crude oil and gas before refinement. Downstream encompasses all the processes required to transform crude oil into finished goods and transportation. Top global oil and gas firms using drones to enhance their operations and obtain real-time insights include Bharat Petroleum Corporation Limited, Chevron Corporation, ConocoPhillips Company, Equinor ASA, Exxon Mobil Corporation, among others.

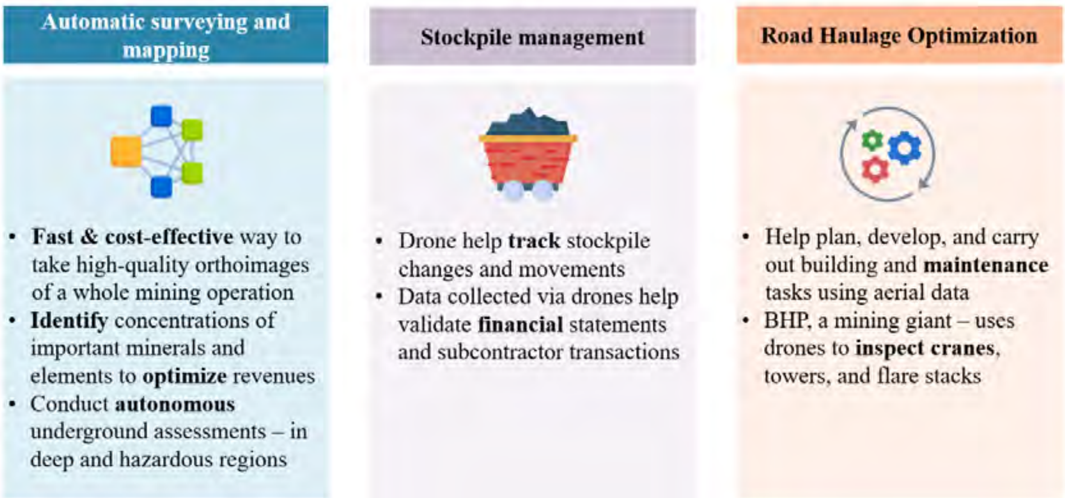
Mining

There are three primary use cases of Drones at mines: Surveying and mapping, stockpile management, and road haulage optimization. The global mining-based drone market is currently valued at US$ 0.2B in CY22, projected to reach US$ 0.8B by CY27, growing at a CAGR of 32% over CY22-27.

Drones are capable of a wide range of mining applications, including exploration, mapping, surveying and data collection, as well as maintaining safety and strengthening security. Recently popularity of drones has increased in the mining industry, with several mining sites investing in drone technology. Mining professionals have seen that drones provide tremendous value to their operations. Drones in mining deliver accurate and complete information on quarry and mine conditions quickly, increasing the efficiency of large mine sites and quarries. They will improve coordination between teams on-site and globally and also provide a dynamic picture of all operations.



Benefits of drones in mining include higher accuracy compared to traditional surveying and inspection techniques, more rapid data collection which is faster than conventional land-based practices carried out by personnel, higher-resolution data, increased worker efficiency, cost-effectiveness and enhanced worker security. Massive mines are using drone surveillance to locate potential deployment sites for resources and reserves and increase exploration expenditures' effectiveness. These factors, including fewer regulations to comply with compared to other sectors, as there is barely any drone usage in a high human-density environment, will drive the growth of drones in the mining sector. For instance, Coal India Limited has decided to utilize drones for variety of monitoring tasks such as mine repair, reviewing topsoil loss, etc.



Utilities

The utilities sector encompasses tower inspection, power transmission and wind turbines, among others. The drone utilities market is expected to grow at a CAGR of 28% from US$ 0.2B in CY22 to US$ 0.7B in CY27. The difficulty of inspecting various installations, such as power lines and wind turbines necessitates the need for drones. Drones are primarily being used to carry out inspection and maintenance jobs due to cost savings, safety and accuracy provided by drones.

Tower inspection: About 5,60,000 inspectors work on about 5 million communication towers globally. With new 5G towers coming up, routine inspection of towers would require additional help. Autonomous drones equipped with high-resolution thermal cameras allow remote inspections to be undertaken. Tower inspection by drones requires them to be close to the towers to meet the Beyond Visual Line of Sight requirements for most nations such as the U.S.A., Australia, U.K and India. Telecom operators have started using drones in maintenance monitoring, maintaining a record of equipment mounted on cell towers and maintaining a central repository. The potential market for drone-powered solutions is immense, with the possibility of telecom operators providing such services themselves. For instance, Verizon Communications, Inc. acquired Skyward IO, Inc., a drone company which allows users to connect drones wirelessly and share data plans on its network. Vodafone Group Plc. too is in talks with regulatory authorities of many countries to contribute to drone traffic control centers.

Power transmission: Drones have numerous close-range use cases around power lines, such as checking vegetation growth and detecting damage to avert a power outage or fire damage etc., drones fitted with thermal sensors can pinpoint discharge and overheating lines and facilitate timely maintenance. Requirements of electromagnetic shielding, pilot training and BVLOS restrictions hinders high adoption in this segment.

Wind turbines: Drone usage in the wind turbines market is positioned against ground-based solutions. The energy industry spends around US$ 8B annually on wind farm maintenance. Wind turbines require preventive maintenance checks, including manual inspections for signs of wear and tear. Drones can perform 360-degree inspections, maintain a central repository of data, transport maintenance equipment and chart an automatic flight path to check for erosion and cracks by performing on-demand remote monitoring. A limiting factor is that wind speeds can range from 4m/s to 5.8m/s, which may be more than the windspeed limits of drones, acting as a barrier to their usage.

Public safety

As the usage of drones for public safety grows, so does their utility in emergency and law enforcement scenarios. The public safety-based drone market is currently valued at US$ 1.1B in CY22 and is projected to reach US$ 2.7B by CY27, growing at a CAGR of 20%.

Drones have changed public safety operations by providing responders with a wide range of airborne reconnaissance and mapping capabilities. Although, constraints on flying beyond visual line of sight (BVLOS), limited battery life, and community concerns about privacy are all barriers to increasing the usage of public safety drones. As most limitations are critical to the growth of drone usage in public safety, drone adoption is only expected to accelerate once regulatory concerns are met.

The market for drones in public safety is majorly made up of two use cases:

<u>Law enforcement</u>

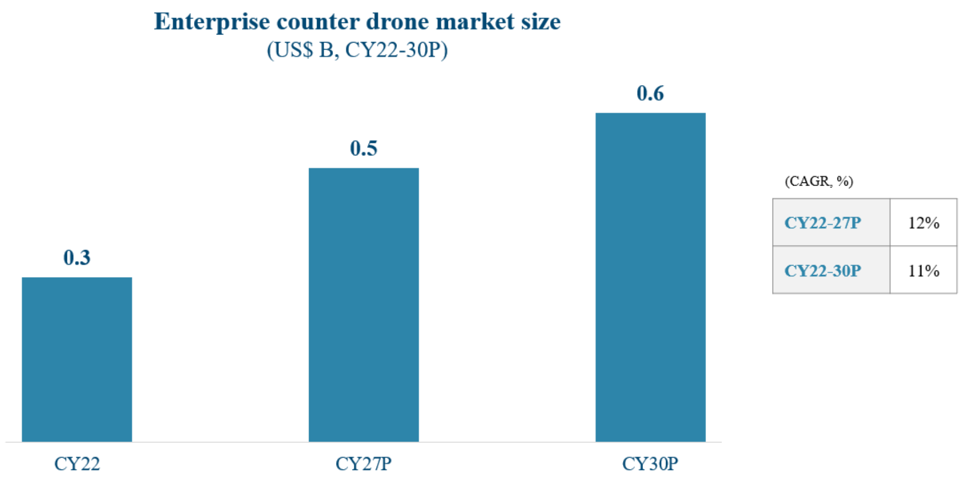
Due to the entry of new technologies, policing looks significantly different now than it did a decade ago. New technologies like facial recognition software and a wide range of computer applications made possible by high-speed broadband wireless systems have substantially expanded the capabilities of law enforcement. Police and government officials worldwide have used drones to perform remote policing and enforce social distancing during COVID-19 lockdowns. Pilot programs are expanding drone adoption, as agencies turn to technology to address operational inefficiencies. However, drone adoption in law enforcement is highly regulated as law enforcement agencies are not allowed to use foreign-made drones, in key countries like the U.S.A., China and Japan for the protection of public and agency privacy. As a result, the drone market in law enforcement is estimated to grow conservatively as authorities are reliant on country's manufacturing capabilities.

<u>Firefighting</u>

Fire departments worldwide, especially in the United States, are increasingly harnessing the benefits of drone technology during firefighting operations. Drone usage while firefighting goes beyond putting fires out in areas that are tough to reach. They are used for situational awareness, thermal assessment, and search and rescue operations, amongst other use cases. Increasingly drones are finding a place in the prevention of forest fires.

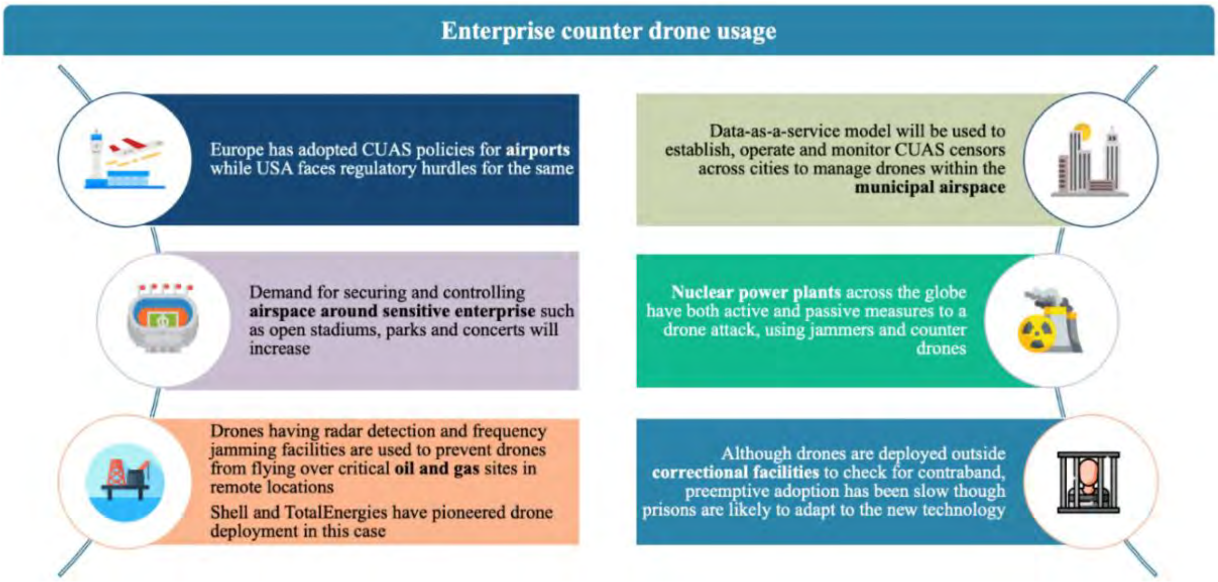
Enterprise counter drone

Counter drone technology, which is often referred to as counter-UAS, C-UAS or counter-UAV is the system that is used to detect and disable an unmanned aerial vehicle. Enterprise counter drones primarily consist of drones used at airports, nuclear power plants, prisons, oil and gas, enterprise airspaces, municipal airspaces and other commercial spaces for drone attack detection and mitigation. The counter-drone market is expected to grow at a CAGR of 12% from US$ 0.3B in CY22 to US$ 0.5B in CY27.



Places of critical nature and mass gatherings are susceptible to drone and other attacks, making counter-drones essential. Anti-drones can undertake the following activities:

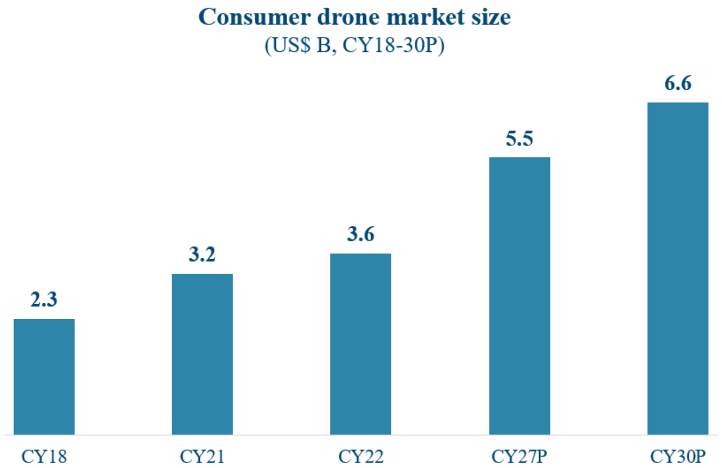
- Detection and tracking of invasive drones and other technology over restricted airspaces
- Signal a warning to the drone pilot, informing the pilot about the infraction
- Disrupt the flight path of the invading drone
- Confiscate invading drone
- As a last resort, destroy the invading drone



Commercial C-UAS solutions can be used instead of military-grade jammers and electromagnetic counters, which are prohibited under general circumstances. Usage of other solutions, such as missiles and other projectiles, risk incurring severe collateral damage. Governments have not yet set specific C-UAS policies, and many regulations will be overlapping with Aviation Security Act etc. would lead to slower adoption.

Consumer

Consumer drones have been operating as the face of the drone market for the last decade; however, it currently had a smaller market compared to defence and enterprise. The current market size of the consumer market is US$ 3.6B and is expected to grow at a CAGR of 9% to stand at US$5.5B in CY27. While commercial drones are in the early adopters' phase, drone usage by consumers is expected to reached maturity by CY27.



(CAGR, %)

CY18-22	12%
CY22-27P	9%
CY22-30P	8%

Consumer drones are broadly categorized into the following:

- Recreational
- Videography
  a) Journalism

b) Cinematography

Recreational use

Drone usage for recreational purposes relates to the use of drones by hobbyists for videography or simply for the fun of flying a drone. The drone market for recreational use is expected to grow due to growth in the "experience economy" as social media takes center stage. While in the early days, hobbyists drove the industry. This trend will reverse as enterprise solutions mature and the growth rate of the consumer market is expected to slow down. The European and American markets are expected to stagnate in the coming years.

Videography

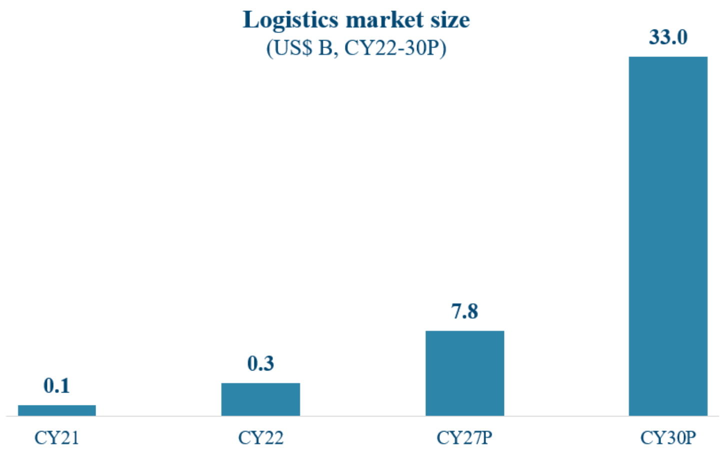
Videography consists of two broad categories, namely journalism and videography.

Journalism: Drones have been used to cover news, such as natural disasters and other events up close, without putting a cameraperson in danger. Drones with high-tech cameras and thermal sensors can cover larger areas and reduce overall reporting costs as they are less expensive at the same time offer more maneuverability than the next best alternative, which is a chopper. Drone usage is expected to grow steadily due to the ease of regulations for drones' usage in low-density public areas and during night time.

Cinematography: Drones have been used for filmography, cinematography and broadcasting for the last few years. In USA, they have been used regularly for filming aerial shots in movies, television shows and commercials since CY14 when drones in filmmaking became legal in the country. Sports documentaries make use of F.P.V. drones to create camera movement. Most drone usage in cinematography is outsourced to drone service providers. Drones fare better than cranes and replace their role by having advanced payload capacity, high altitude capability and high-resolution cameras. They also prove to be less costly than helicopters for long-range shots.

Logistics

The drone logistics market is currently valued at US$ 0.3B in CY22 and is projected to reach US$ 33B by CY30. This market growth can be attributed to surging demand for efficient logistics and last-mile delivery and technological advancements such as Vertical Take-Off and landing (VTOL), geospatial mapping, IoT, and machine learning resulting in higher accuracy of package delivery. Furthermore, revamped government regulatory framework will drive growth opportunities for drones in the logistics sector.

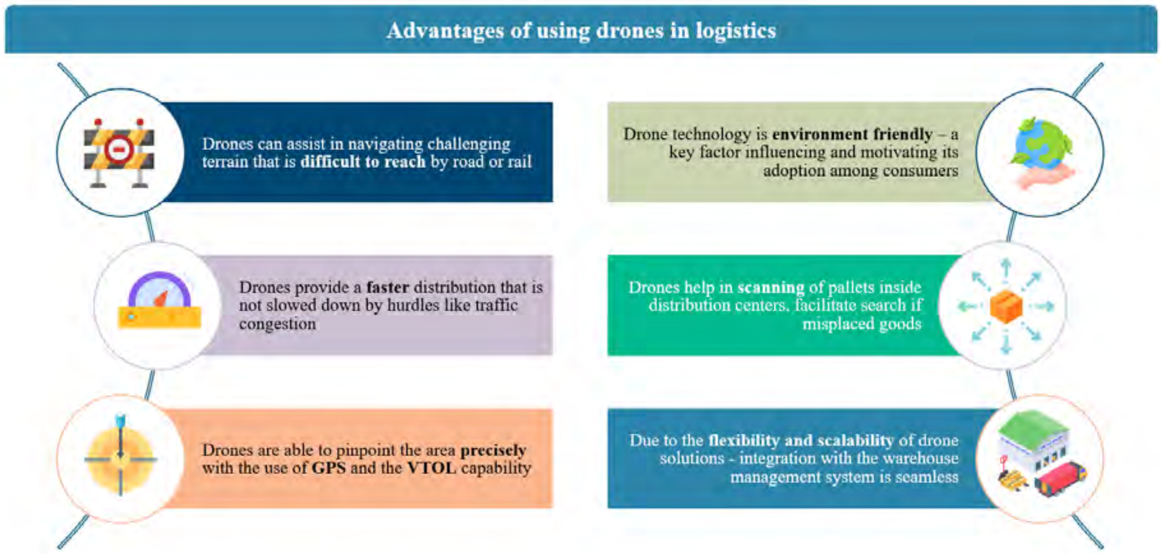


(CAGR, %)

CY22-27P	98%
CY22-30P	83%

With the growing effects of the pandemic and increase in environmental consciousness among companies and consumers, the logistics industry has become more dynamic, and adaptive. The logistics movement and supply chain complexity can be efficiently solved by bringing an autonomous vehicle element. This will fulfil the four critical areas considered by logistics companies: optimizing efficiency, recognizing value, being flexible, and resilient and having zero negatives.

The pandemic has also fueled the desire for delivery drones, which address structural challenges such as delivery timing (same day) and delivering to isolated locations. In a period when there were few people available to transport items but tremendous demand, the ability of drones to make contactless deliveries in the lowest amount of time established its value. Furthermore, modern drones can transport bulkier packages over more considerable distances in a shorter time. During a study in CY22, in last-mile delivery, energy consumption per package by a medium-duty diesel truck was reduced to more than half when delivered through a very small quadcopter drone. Companies in various sectors, including logistics, healthcare, food, and e-commerce, are being prompted to pilot drone delivery technologies. International corporations, including The Boeing Company, Zipline Inc., United Parcel Service, Inc., Amazon.com, Inc., Wing Aviation Private Limited, and others, provide stores and online shoppers with immediate delivery services using drones.



Global examples of drone adoption in logistics

The first drone-based delivery was performed by Domino's Pizza, Inc., in November 2016 to deliver a pizza to a customer's doorstep. Since then, several large and small businesses have been testing autonomous delivery using drones. In CY19, Amazon.com Inc. announced ‘PrimeAir’, a drone delivery service to deliver packages within 30 minutes of ordering. The Wing, owned by Alphabet Inc., develops drone-based freight technology, and works with organizations like Walgreens and FedEx to deliver two and three-pound drone packages.

United Parcel Service, Inc. Flight Forward was the first drone delivery service to be launched by a commercial logistics company. To advance their effort to provide medications, they have teamed with CVS Health Corporation. Walmart Inc. in association with DroneUp LLC will potentially serve four million households across six states in the US by expanding DroneUp delivery network across 34 sites. Drone Delivery Canada Corp., Airbus SE, Matternet Inc, DHL International GmbH., Shenzhen SF City Logistics Co., Ltd, and Rakuten Group Inc. are some other major drone delivery companies.

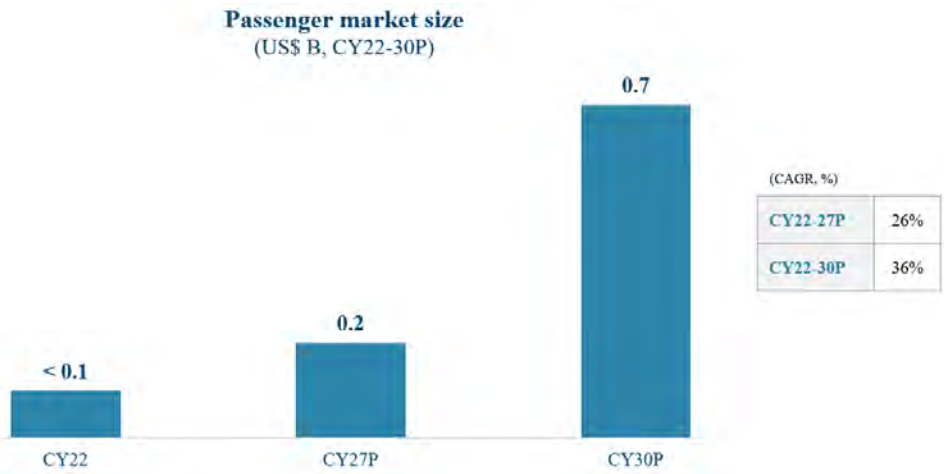
The US is the leading player in the drone delivery industry due to the enormous number of e-commerce giants and technological start-ups with headquarters in various states around the nation. Additionally, Canada is accelerating the delivery process by implementing drone delivery technologies. In Asia, China and Japan are dominating this industry. Drones are being used more frequently in Europe by Switzerland, Iceland, and Finland to deliver prescription drugs and other retail items to remote locations. Drones are used in African nations like Ghana and Rwanda to transport test samples and medical supplies.

Passenger

Passenger drones (also called air taxis, eVTOLs, flying cars, etc.) will be used to transport passengers over short and medium distances flown manually, remotely, or automatically. Passenger drones do not require a runway for landing due to vertical take-off and landing (VTOL).

Commuters will benefit from drone-led faster intra-city and inter-city transportation. These drones are battery-powered, making them capable of running on renewable energy sources. Passenger drones can also be employed for special operations, including search and rescue, emergency supply delivery, air ambulance transport, and fire rescue.

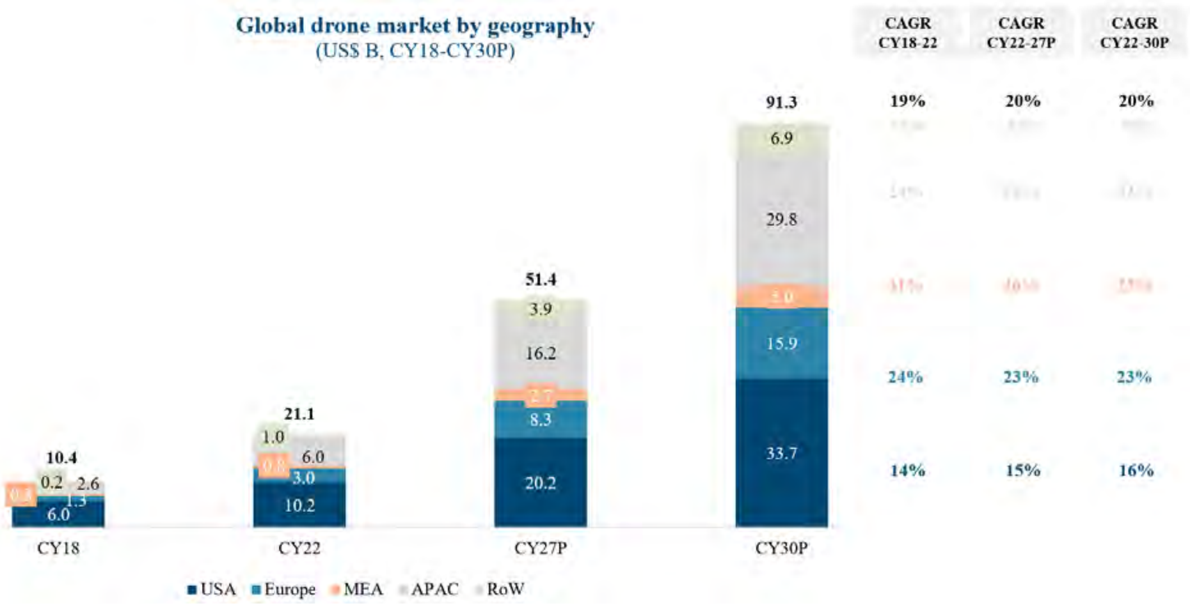
The global passenger drone market size is currently in a very nascent stage valued at less than US$ 0.1B and is anticipated to grow to US$ 0.2B in CY27 at a CAGR of 26% during CY22-27. A decline in equipment costs, technological advancements, a growing urban population, and increasing need to travel faster, cheaper and cleaner will accelerate the growth of the passenger drone market.



Drone industry by geography

The growth in the overall drone market across regions is anticipated to be driven by relaxations in regulations and testing of drone applications. Several governments are working out ways to form regulations for the adoption of drones in commercial applications. In CY22, USA is expected to be the biggest market for drones standing at US$ 10.2B with ~49% market share and predicted to grow to US$ 20.2B in CY27.

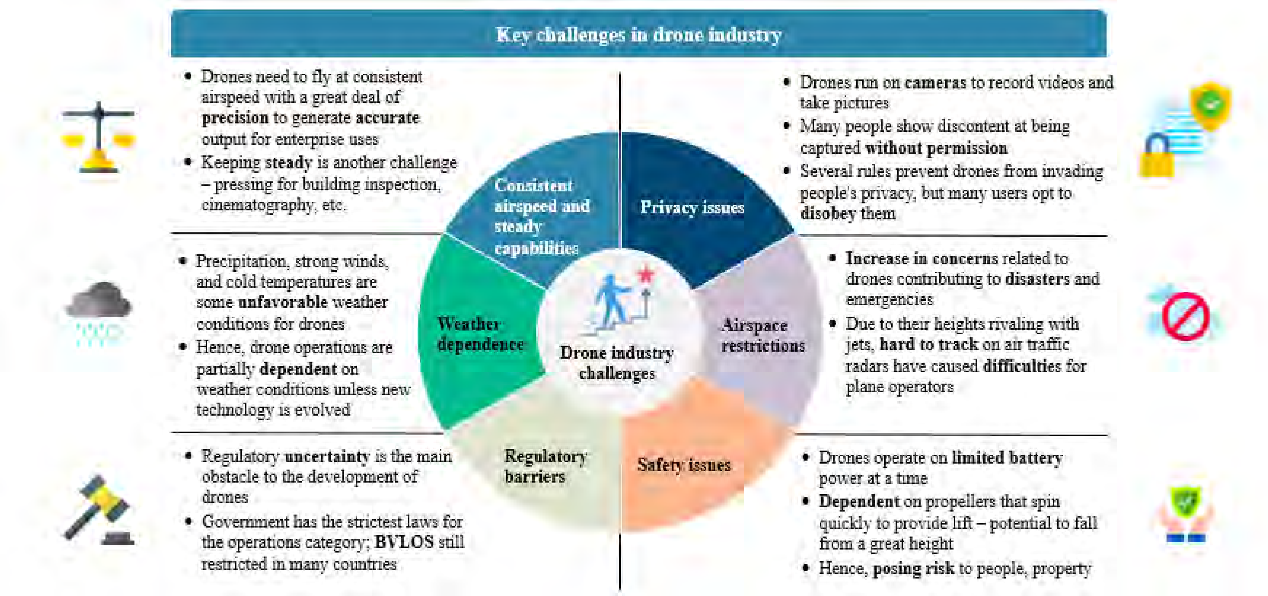
The agriculture drone market is expected to witness a steady growth in the APAC region with China at the forefront of the market. With the Government of China providing various subsidy schemes and favorable domestic policies for drone usage in industries, energy, agriculture and consumer markets are expected to drive growth in the coming years. The Indian government is also encouraging the adoption of drone technology in agriculture and has released standard operating procedures (SOPs) for drone-assisted pesticide and nutrient application. There is a growing number of Unmanned Aircraft Operator Permits in India currently. With the new 'The Drone Rules 2021', PLI scheme, UTM policy and liberalized drone policy, India is also positioned to become a global manufacturing hub for drone technology.



While the adoption of drones is growing at a rapid pace, each country has been developing their own ways to tackle certain headwinds that the drone industry faces. The way each country decides to combat these concerns would decide the level of sustainable growth the drone industry would witnesses within that country.

Key challenges in the drone industry

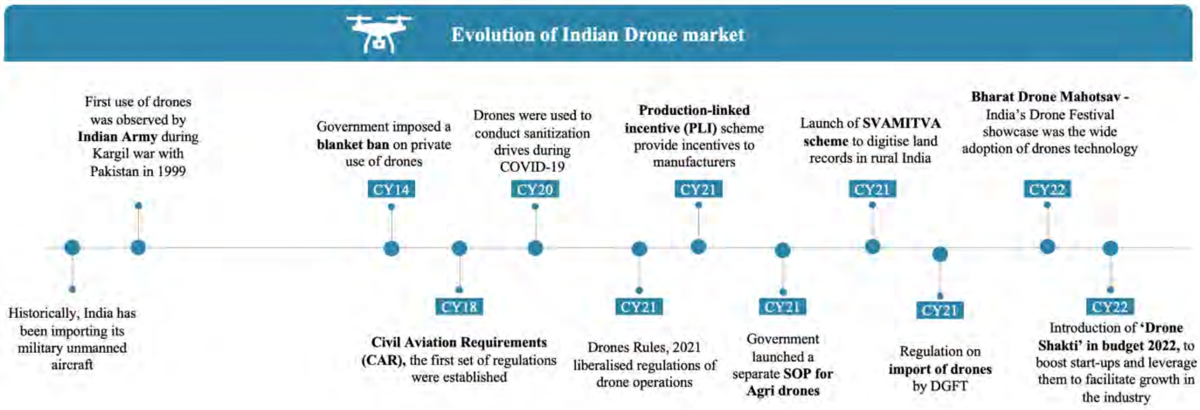
Drone safety is still a concern, as are the effects on ecology, security, and privacy. Additional problems include consequences on jobs and fair use. Future emergency responses may be enhanced by creating a regulatory framework for drones that considers issues beyond safety.



INDIAN UAV/ DRONE INDUSTRY

Evolution of the drone industry in India and how it could evolve given how it has in other markets

Back in the 1990s, the Indian Army acquired UAVs from Israel. First application was use as military drones during the 1999 Kargil war against Pakistan for photo surveillance along the Line of Control (LOC).



In CY14, the Directorate General of Civil Aviation (DGCA) under the MoCA (Ministry of Civil Aviation) banned the use of commercial drones in India until it formulated proper rules and regulations to govern their usage. In CY18, the DGCA released the CAR (Civil Aviation Requirements), which established a paperless procedure for filing permits for drone activities and registering licenses for drones, owners, and pilots. Apart from defence, drones came into commercial action after CY18.

In CY20, drones played a crucial role in maintaining social distance and performing sanitization operations during the peak of COVID-19. Indigenously developed drones were used to deliver COVID-19 vaccines to access compromised areas and strengthen the vaccine delivery system. With the new 'The Drone Rules 2021', individuals and organizations in India are set to find it easier to own and operate drones, setting the stage for the broader use of drones in the country. As a part of reforms to make India a global drone hub by CY30, the government also launched Production-Linked Incentive (PLI) scheme for drones and drone components companies in September 2021 to enable drone manufacturing in India.

In the FY22 budget, the Finance Minister of India introduced the 'Drone Shakti'. Startups are encouraged to provide Drone-as-a-Service. In F23 budget, the Finance Minister of India mentioned MoCA will take up with 15 identified Union Ministries to use Drone-as-a-service for which MoCA will hand-hold these Ministries by way of faster clearances and by brining industry, academia and startups together. Customers may hire drones and utilize them for various purposes, including shooting pictures and films. India's biggest drone festival, Bharat Drone Mahotsav, was inaugurated in May 2022. With "Atmanirbhar Bharat" initiative, the Government of India has been pushing Indian drone companies for innovation in the sector through its policies. The purpose was to showcase the broad adoption of drones and the substantial employment opportunities the industry can create.

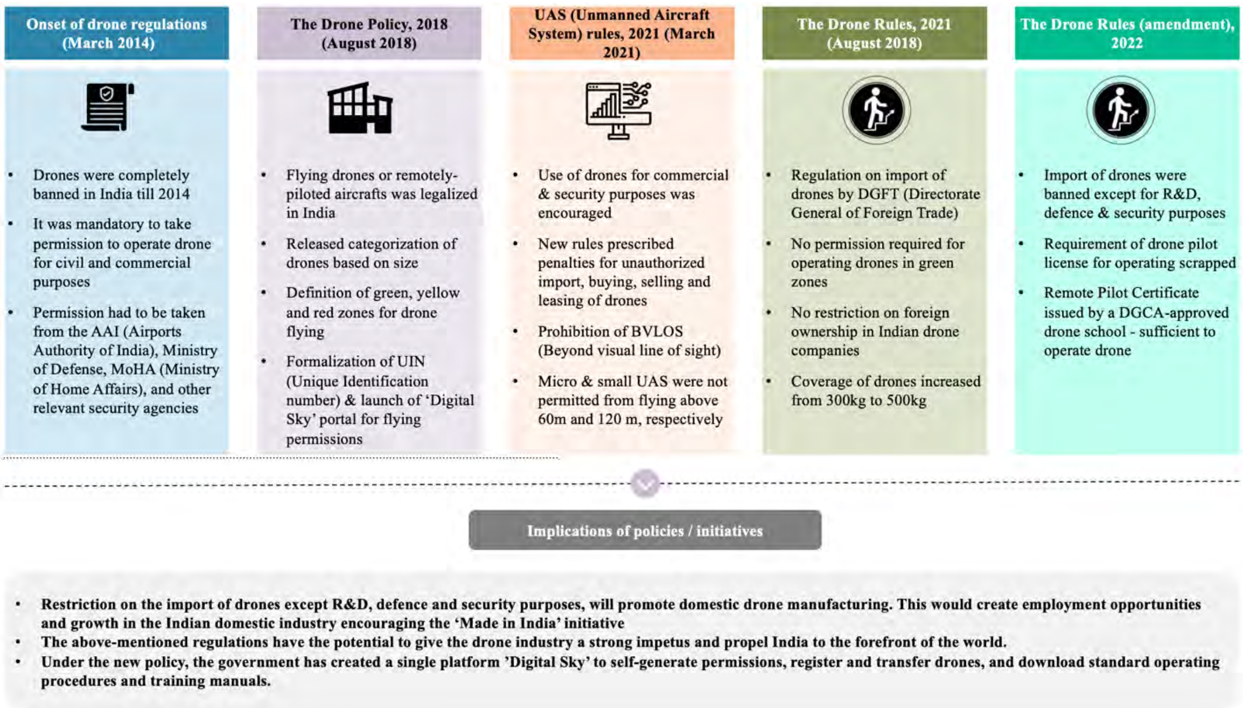
India finds itself to be at a critical juncture in the evolutionary timeline of drone technology and aims to position itself as a global drone hub by CY30. The rise of the drone manufacturing industry in India will result in significant trickle-down effects across the sub-component value chain, right across motors/ propulsion systems, payloads, communication modules, batteries/ power systems, propellers, assembly, navigation systems, airframes and software solutions.

In order to boost indigenous drone production, India has introduced laws and policies that address both the supply side (through PLI and import bans) and demand sides (through drone policy). By implementing drone indigenization initiatives in use cases such as defence, commercial, homeland security, and counter UAV sectors, India has the remarkable opportunity to target approximately 1.8 lakh crore of total domestic manufacturing potential.

The policy environment in the Indian drone space is becoming more liberal and relaxed with regulations such as 'The Drone Rules 2021'

Drone ownership and operation are far more simplified under 'The Drone Rules 2021', than under earlier regulations. 'The Drone Rules 2021' have list of compliances that drone operators must be aware of to ensure full compliance and few restrictions in place with specific emphasis on approvals.

Permission was mandatory for commercial use of drones, this limitation was eased with 'The Drone Rules 2021', which were curtailed in the regulations released in August 2018.



As of February 2022, India banned the import of drones and drone components except for security and defence, to encourage the domestic drone manufacturing industry and make India a global drone hub by CY30. On 9th February 2022, The Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce and Industry, modified the Indian Trade Classification (Harmonised System) 2022 Schedule-1 (Import Policy) and banned the import of drones in completely-built-up (CBU), semi-knocked-down (SKD) or completely-knocked-down (CKD) form, with the exceptions of:

- Import of drones by government entities, educational institutions recognized by central or state government, government recognized R&D entities and drone manufacturers for R&D purpose are allowed in CBU, SKD or CKD form, subject to import authorization issued by DGFT in consultation with concerned line ministries, and
- Import of drones for defence and security purposes are allowed in CBU, SKD or CKD form, subject to import authorization issued by DGFT in consultation with concerned line industries. However, the import of drone components is not banned and does not require any approval.

The announcement of the Drone Rules 2021 and the Drone (Amendment) Rules CY22 simplifies the operation of drones more than ever before. New legislation and standards assist the Indian government's ambitious objective of becoming a global drone hub by CY30.

The Drone Rules 2021

The Drone Rules 2021 were released in August 2021 to regulate the use and operation of drones in India. Some prior strict requirements have been relaxed under this policy.

For instance:

- The number of permits and approvals required by a drone operator has been reduced from 25 to 5.
- The Rules have established an online platform hosted by the Directorate General of Civil Aviation for managing various drone-related activities in India called 'Digital Sky'. The platform seeks to provide a single-window online system where most of the permissions of drones can be generated by individuals without any human intervention.

Ministry of Civil Aviation (MoCA) has deployed an interactive airspace map on the Digital Sky platform for the convenience of drone operators and all other stakeholders. The map is color-coded into green, yellow, and red zones, which opened nearly 90% of Indian airspace as a green zone. This will help drone operators plan their flights in a better way and prevent flying in restricted zones. These regulation aims to boost innovation and business in India.

Production-Linked Incentive (PLI) scheme

The PLI scheme, launched in September 2021, aims to incentivize Indian drone and drone components' manufacturing companies, to make them self-sustaining and globally competitive. With liberalized rules and the incentive scheme, the government expects the drones and drone components manufacturing industry to attract investments from foreign investors. Micro Small and Medium Enterprise (MSME) will be key beneficiaries, and the eligibility norm has been set for the same.

Under the scheme, a total incentive of US$ 15M is spread over three financial years. PLI will encourage entrepreneurs to strive towards building drones, components and software for the global market. This initiative is anticipated to help reduce imports and increase market exports and achieve the Government's aim to make India 'The global drone hub of the world'. A provisional list of 23 PLI beneficiaries was released in July 2022. The beneficiaries include 12 drone manufacturers and 11 drone component manufacturers.

The list of shortlisted drone manufacturers is as follows:

1. Aarav Unmanned Systems, Bengaluru, Karnataka
2. Asteria Aerospace, Bengaluru, Karnataka
3. Dhaksha Unmanned Systems, Chennai, Tamil Nadu
4. EndureAir Systems, Noida, Uttar Pradesh
5. Garuda Aerospace, Chennai, Tamil Nadu
6. IdeaForge Technology, Mumbai, Maharashtra
7. IoTechWorld Avigation, Gurugram, Haryana
8. Omnipresent Robot Technologies, Gurugram, Haryana
9. Raphe Mphibr, Noida, Uttar Pradesh
10. Roter Precision Instruments, Roorkee, Uttarakhand
11. Sagar Defence Engineering, Pune, Maharashtra

12. Throttle Aerospace Systems, Bengaluru, Karnataka

In April 2023, 6 drone manufacturers received the PLI disbursements. The list of drone manufacturers who received the PLI disbursement is as follows:

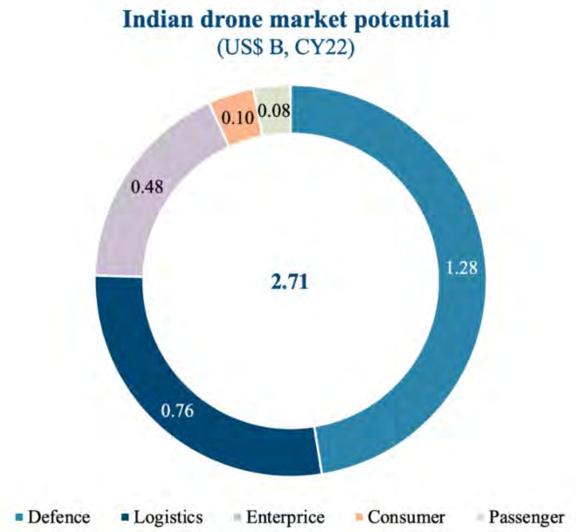
1. IdeaForge Technology, Mumbai, Maharashtra
2. Raphe Mphibr, Noida, Uttar Pradesh
3. AEREO (Aarav Unmanned Systems), Bengaluru, Karnataka
4. Throttle Aerospace Systems, Bengaluru, Karnataka
5. Sagar Defence Engineering, Pune, Maharashtra
6. Roter Precision Instruments, Roorkee, Uttarakhand

Drone makers and service providers are ramping up their product offerings and hiring to meet a spurt in demand that is expected to accelerate with the government's PLI scheme, which is expected to bring down drone prices further. The annual sales turnover of the drone manufacturing industry may grow from US$ 8M in FY21 fold to over ~US$ 110M in FY24.

The Drone (Amendment) Rules 2022, eliminate the need for a drone pilot license for drone operations up to 2 kg for non-commercial purposes. The government made it easier for drone manufacturers to obtain a certificate with the Drone Certification Scheme 2022. The new drone laws have facilitated traction in the market as numerous companies partner to disseminate technical knowledge and attract funds and government support. For instance, in June 2021, food delivery platform Swiggy (Bundl Technologies Private Limited) and the integrated airspace management company ANRA Technologies Private Limited started testing for beyond visual line of sight (BVLOS) drone food deliveries as they received clearance for testing from the Ministry of Defence, the Directorate General of Civil Aviation, and the Ministry of Civil Aviation.

Indian drone industry market potential is US$ 2.71B in CY22

The drone industry is at a nascent stage and therefore the requirements are continuously evolving. As of CY22, the potential market size for Indian drone industry was approximately US$ 2.71B. Drones now have the potential to carry everything, including vaccines and other medical supplies, and devices, for agriculture, energy utilities, construction, and mining, passengers, public safety, and logistics are seen to have great potential and to act as modern-day use cases.



Note: The overall potential for Indian drone market is estimated assuming drones would be extensively used across each of the use case. Deep dive into each use case is mentioned in following segments.

In CY22, Defence industry has the highest potential of US$ 1.28B out of the total drone market, followed by Logistics at US$ 0.76B and Enterprise at US$ 0.48B. The Indian market potential for passenger stands at US$ 0.08B in CY22. Indian drone industry is expected to grow owing to driving factors such as the government's regulations such as New Drone Policy 2021/2022 and PLI scheme etc. to transform India into a worldwide hub for drones by creating a favorable and supportive ecosystem. Furthermore, growing drone use cases and their future applications, an upsurge in startups and investments will fuel the drone industry in India.

Defence

The Indian defence drone market currently has a potential of US$ 1.28B in CY22.The key use cases for drones in India defence are surveillance, precision strikes, and terrain mapping for scouting enemy troops. Indian Army is encouraging companies to develop innovative concepts for introducing modern machinery to their troops. India is looking to procure mini Remotely Piloted Aircraft Systems (RPAS), long-range surveillance systems, and inertial navigation systems. Indian Army has also issued tenders for high and medium-altitude logistics drones to boost the army's logistics chain and enhance operational preparedness.

The nation's indigenous drone program resulted from the Indina air Force (IAF) using an American drone, Northrop Chukar. With the help of this drone, the Defence Research and Development Organization (DRDO) developed the *Lakshya* target drone for practice firing beyond-visual-range missiles. Since then, the DRDO has been developing several short-range drones, such as *Nishant* and *Gagan* which are outfitted with high-technology radars that generate high-resolution 3-D photographs. The famed Medium Altitude Long Endurance UAV, Rustom 2, has auto-landing capabilities and is perfect for surveillance and reconnaissance. To target the Sino-Indian border in eastern Ladakh, a more advanced High-Altitude Long-Range drone is also being built.

Drone usage in Indian defence

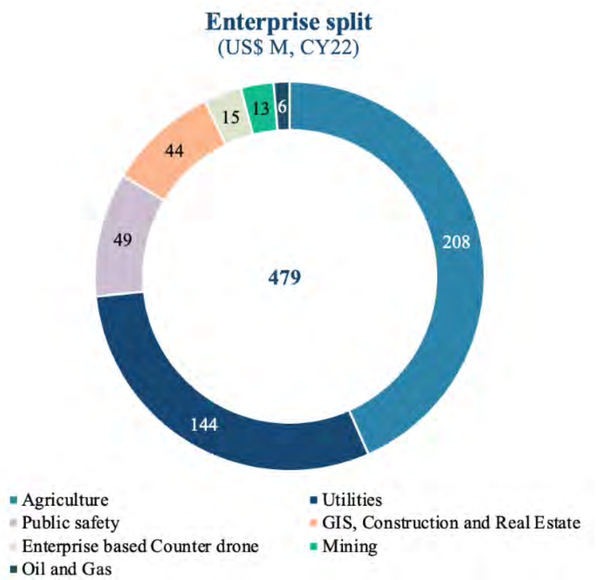
- In August 2022, The Drone Federation of India (DFI) and the Army Design Bureau (ADB) signed an MoU, according to which they will collaborate on the roadmap planning, research, testing, manufacturing, and adoption of counter-drones among other technologies that the Indian Army will use in its operations.
- In order to improve its monitoring along the Line of Actual Control, the Indian Army has signed a contract with ideaForge in January 2022, to purchase high-altitude SWITCH1.0 unmanned aerial vehicles (UAVs).
- In March 2022, the Indian Army has awarded ideaForge a contract to deliver 200 drones capable of vertical takeoff and landing (VTOL).

Note: Potential is estimated basis the percentage of the drone budget to the overall defence budget of leading drone adopters like USA, UK, Australia, and France. This multiplier is used to multiply with the Indian defence budget.

Department of Defence Production (DDP) along with Ministry of Defence and GoI, shared a RFP for development, operation and maintenance of Defence Testing Infrastructure (DTI) for Unmanned Aircraft Systems (UAS) under the Defence Testing Infrastructure Scheme (DTIS) having Earnest Money Deposit (EMD) value of US$ 75,000 (INR 6M) and RFP value of about US$ 7.5-37.5 million (INR 600-3,000M)

Enterprise

Indian enterprise drone market has a potential of US$ 479M. Agriculture, utilities and public safety are the most significant segments for enterprise drones. Enterprises are still seeking to discover various uses for drones, data collection, and developing software to find solutions for the specific industry.



Agriculture

The agriculture-based drone market is expected to have a potential market of US$ 208M in CY22. Spraying, seeding, crop monitoring and crop insurance are key use cases for drones in agriculture. Manpower shortfall will lead to a greater reliance on precision farming instruments like drones both globally and India. The growing drone market in India is trying to incorporate indigenous advanced technology and employ them in agriculture space.

Methodology: Potential of agriculture-based drone market is if all the farmlands (above 20 hectares) in the country would use drones for spraying, seeding, insurance, and crop monitoring.

Spraying: Drone technology can usher in a new era for precision agriculture. It is used to spray chemicals as they have reservoirs, which can be filled with fertilizers and pesticides for spraying on crops in very little time. Drones' foremost advantage over manual effort is their flexibility to move around in swift motions and maneuver to the desired locations.

For instance:

- Unnati (Akshamaala Solutions Private Limited), a FinTech-driven agriculture ecosystem, has launched a Drone Spray service for farmers. The platform will be utilizing a fleet of DGCA-approved (Directorate General of Civil Aviation) drones to offer the service. The cost of spraying insecticide using drones' is less and also takes less time. Unnati says its drones can cover an acre in under eight minutes whereas it takes at least four hours to spray an acre manually.
- An experiment performed in Jaipur demonstrated that one acre of land can be sprayed in under ten minutes.

Seeding: Agriculture is a very labor-intensive and time-consuming industry because it needs specialized abilities to operate. In particular, seeding requires physical labor because it takes a long time to complete. Drone technology is used for sowing the seeds of a diverse variety of crops, which helps to alleviate this tedious operation. In drones, the lasers, sensors, tanks, etc., enable them to plant seedlings quickly and precisely.

For instance:

- Drone-based tree plantation carried out in Telangana with the help of drones reduced reforestation costs by 10 times while also covering big areas more quickly and with zero risk to personnel.
- Drones are enabling spraying of seeds, pods, and vital nutrients into the ground. This method not only reduces costs by over 85%, but it also boosts efficiency and consistency.

Insurance: Drones could provide accurate information to insurance companies concerning damages. It also helps to identify and quantify risks faster and more safely. The insurance companies can collect data on the damaged area using drones and creates a set of visuals based on the damage. Drones could also streamline formalities like claim submission and loss inspection processes.

Crop monitoring: Monitoring of crops can be done quickly by drones to provide fertilizers at the right time, checking for pest attacks, and monitoring the effect of weather conditions. Drones could be vital, as ensuring a timely harvest is crucial, especially when working with seasonal crops. By using infrared cameras to scan the field, drones can aid in efficient crop surveillance. Farmers can then act on the information they receive in real-time to improve the health of the plants there.

Usage of drones in India's agriculture sector:

- In August 2021, Mahindra & Mahindra Limited has been allowed to use drones for agricultural trials and precision spraying on paddy as well as hot pepper crops in Telangana and Andhra Pradesh respectively.
- In February 2022, the Government of India flagged off 100 Kisan drones in different cities and towns of India to spray pesticides on farms across India. Kisan Drones are anticipated to promote the increasing demand for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- In March 2022, Tamil Nadu state government has decided to procure 60 drones for holding demonstration exercises on spraying fertilizers using drones in 14,400 hectares of land under the Kisan-drone scheme of Sub-Mission on Agricultural Mechanization (SMAM).
- In August 2022, Karnataka and Kerala witnessed heavy rainfall. ideaForge worked with DRDO coordinated surveillance efforts over agriculture lands with its indigenous drones.
- The Rajasthan government's agriculture department recently deployed drones to spray chemicals and fight off locust swarms in the state.

- Andhra Pradesh government plans to procure 200 Kisan Drones, which would solve the problem of labor shortage and health hazards.

Benefits of drone technology in agriculture sector

Enhanced Production	Safety of farmers	Data processing	Optimal use of resources	Insurance claims
• Improve production capabilities through comprehensive irrigation planning, adequate monitoring of crop health, increased knowledge about soil health, and adaptation to environmental changes.	• Safer and more convenient for farmers to use drones to spray pesticides in terrains challenging to reach, infected areas and taller crops. • It also helps farmers prevent spraying the crops, which leads to less pollution and chemicals in the soil.	• Drone surveys back farmers with accurate data processing that encourages them to make quick and mindful decisions without second-guessing, allowing farmers to save the time invested in crop scouting.	• Agri-drones enables optimum usage of all resources such as fertilizer, water, seeds, and pesticides.	• Farmers use the data captured through drones to claim crop insurance in case of any damages. • They even calculate risks/losses associated with the land while being insured.

Department of Agricultural Research and Education (DARE) has floated a tender for Spraying through drones. This project will be taking place in Delhi. The EMD is given as US$ 470 (INR 37,500) and the RFP is valued at the maximum of US$ 0.23M (INR 18M).

Utilities

The Indian utility drone market is currently valued to have a potential of US$ 144M in CY22. With a growing number of inspection lines and towers, it will be impractical to maintain and examine them on such a big scale manually thus drones will prove to be a beneficial alternative for inspecting towers / power lines at once and detecting errors within the same. Drones have immense potential in use cases such as tower inspection, power transmission, wind turbines and solar panel inspection and maintenance.

Note: The potential market for the utilities sector is estimated by considering that drones are used as a service for use cases such as spraying, wind, powerline, and solar inspections for the current installed capacity.

<u>Wind farm inspection</u>: Drone technology helps in easy detection of structural damages / issues in wind turbine blades and serve as a guide during maintenance, saving considerable costs. Drones will not only help in reducing the operational costs but also help in increasing the safety of workers.

<u>Powerline and mobile tower inspection</u>: Traditional power line inspections require inspectors to stand on scaffolding and cranes and use rope access to climb on poles. Drone surveying for the power grid reduces the need to put people in harm's way, and line workers can safely remain on the ground while the drone operator assesses the line. Faults can be detected by capturing the status of the grid from multiple angles to reveal any faults or defects and address them promptly. Additionally, drones can closely monitor and access hard-to-reach areas.

<u>Spraying (Cleaning)</u>: Cleaning of panels, a key part of the operations and maintenance on any large solar plant. This cleaning is associated with large amount of water used along with less labor in some markets. Drones can provide cleaning services to solar panels leaving them completely undamaged. For emerging markets, especially India, the push from these solutions will eventually turn out to be a massive use case, as costs drop to a level where they can compete easily with labor costs on the ground and provide much-needed water savings in the drier areas where large solar parks are coming up on.

<u>Inspection and monitoring of solar power plant</u>: Drone solar maintenance inspection reports can provide top-down inspection data of the system that can give vital insights on faulty spare parts and defective hardware. This type of data can provide estimates for how much loss of revenue the plant could experience if the identified problems go unfixed. Drone reduces the inspection time significantly by eliminating the need to check solar panels one by one with a handheld device.

<u>Usage of drones in utilities</u>:

- Telangana is leveraging drones across various use cases and the inspection of towers. Telangana used drones to inspect, monitor, and patrol Extra High Tension (power carrying) transmission towers, lines, and substations. For this, high-quality 4K resolution cameras and AI-based image recognition systems were used. The average time of inspection of the tower is ~20 minutes whereas a manual inspection could take up to 6 hours per cell tower.

- Between November 2021 and March 2022, with two drones hired from a service provider, Tata Power took up operations and maintenance of power lines in Delhi. Additionally, it undertook GIS survey of Odisha power discoms which includes detecting power theft, and remote meter reading in rural areas.
- Since October 2022, the state-run Madhya Pradesh Power Transmission Company Limited planning to deploy drones to monitor 10,000 high voltage towers in the state.

Public Safety

The Indian public safety drone market is expected to have an overall potential of about US$ 49M. Globally, police departments and public safety agencies have been using it to improve situational awareness, help locate missing people or suspects, combat fires and inspect damage or accidents. Likewise, India law enforcement agencies like the police force, special forces, etc., are using drones to monitor traffic, follow suspects and keep an eye on areas with high crime. The recent changes that have been made in drone policy should further unlock the positive use of this technology that would benefit the citizens.

Note: Potential is estimated basis the percentage of the drone budget to the overall Indian police budget.

<u>Usage of drones in public safety:</u>

- In February 2020, the Delhi police used drones during the Delhi Assembly Elections and the riots in the city.
- The UP government used drones to monitor potential protests during the foundation of the Ram Temple in Ayodhya.
- During the COVID-19 lockdowns, Punjab central police team was able to alert nearest police officer upon detecting individuals less than six feet apart, via using a drone with high-definition cameras along with combination of artificial intelligence, location mapping.
- The Mumbai Police have also used drone technology to monitor lockdown protocols in susceptible areas.
- Surveillance and delivery drones were deployed in Vadodara in Gujarat and in Andhra Pradesh to supplement relief and rescue efforts of the National Disaster Relief Force (NDRF) teams deployed amid floods.

GIS, Construction and Real Estate

Drone usage in Indian construction and real estate industry is estimated to have a market potential of US$ 44M. By taking high-definition pictures and videos, drones help with visual inspection processes such as area mapping, surveying, monitoring construction work progress, equipment & material tracking on-site, inspection of buildings, finding construction flaws, and 3D modelling. Drones could help aid reduce operational costs and manual labor for property viewing and inspections.

- <u>Infrastructure:</u>

  a. <u>Road and Highways construction progress monitoring</u>: Due to increase in number of highways and roadways across the nation, drones could be the key to sustainable and effective road construction, highway infrastructure management, bridge inspection, and road management operations. The most significant challenges for road and highway construction are time and production cost. With their rapid data collecting, quick mapping, and time-sensitive outcomes, drones may significantly cut the time and expense while providing builders with essential information they need to generate efficient strategies.
  b. <u>Railways construction and monitoring:</u> Drone cameras will undertake monitoring activities of relief and rescue operations, project monitoring, the progress of important works, conditions of the track and inspection-related activities. Indian Railways has decided to deploy drone cameras across all zones to enhance safety and efficiency in train operations.
  c. <u>Detailed Project Report (DPR) for roadways, highways and highways</u>: Using advanced data technologies such as Big data, Artificial intelligence, Internet of things (IoT) along with geospatial images captured with the drone, it is possible to curate detailed project reports.

- <u>Urban development</u>: Urbanization is increasing population density, so collecting big data for resource planning and allocation is challenging. Any planning application must include massive data collection in addition to data analysis and fieldwork. Without the use of drones, it gets more and more challenging, time-consuming, and expensive. The drone is fitted with high-resolution cameras, which can map out complex areas of urban or rural terrain faster, cheaper and safer.

- <u>Rural development:</u> In India, the use of drones is expanding, and new uses and applications are constantly being developed. Drones have a wide range of uses in rural areas, including monitoring using cameras or other sensors, providing connectivity as a mobile gateway, or even delivering goods to inaccessible locations. In the Chamba district of Himachal Pradesh, a project was launched for beyond visual line of sight (BVLOS) trial to connect six primary health centers/community health centers and the area hospitals via multiple flights between points covering an aerial distance of 170 km.

SVAMITVA scheme

SVAMITVA stands for Survey of Villages and Mapping with Improvised Technology in Village Areas. This scheme seeks to enable village household owners in inhabited areas with the "Record of Rights." The government aims to use drone technology for implementing SVAMITVA. The scheme aims to cover 6.62 lakh villages in the country from FY21 to FY25. After successful launch of the scheme during FY21 in the pilot States of Haryana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh, Uttarakhand, Punjab, Rajasthan and Andhra Pradesh in Phase 1, SVAMITVA Scheme was extended throughout the country from FY22.

<u>Usage of drones in construction and real estate:</u>

- The Andhra Pradesh Government is using drones to monitor the development activities of the capital city region, i.e., Amaravati, through drone-based outputs.
- As a pilot project, the Karnataka Government is using drones for property tax estimation and the creation of a base map of a city/town for detailed planning and sustainable governance.
- The Chandigarh Administration has deployed drones as part of pilot project to get an aerial view of all properties in Chandigarh.
- Andhra Pradesh Real Estate Regulatory Authority (APRERA) and Construction Industry Development Council (CIDC) used drones for the real time monitoring of 2,950 construction projects across Andhra Pradesh resulting in the employment of 8,850 drone operators in the state. Extrapolating these numbers for Pan-India, translates into a demand for 1,68,000 drone operators for monitoring alone.

Methodology: Mapping of urban and rural development is considered along with infrastructure. Under infrastructure – Roads, railways monitoring and detailed project report of the same is taken under consideration. Factors such as surveying, monitoring, and operational costs are considered for calculating the market potential.

Southwestern Railway floated a tender for New Line Section for conducting Geo Technical Investigations, submission of reports, station building plans and drone survey in Bengaluru, Karnataka. The total RFP raised is about US$ 0.12-0.68 million (INR 9.6-54.4M) with EMD of US$ 1,375 (INR 0.1M).

Northern Railway floated a tender for Detailed Engineering Survey using Drone LiDAR in New Delhi. EMD is costing around US$ 666 (INR 53,300) and RFP is valued at around US$ 0.33M (INR 26.4M).

Enterprise counter-drone

The Indian enterprise counter-drone market is estimated to show a potential of US$ 15M in CY22. Since there are no standard regulations for the safety of drones is a concern. There are still no well-defined guidelines around civilian counter-drone systems. The restrictions are highly anticipated as the market situation would drive up the number of drones in the sky. Additionally, counter-drones would play a very significant role in ariel traffic management ecosystems.

As drone market in India is growing, enterprise counter drones in the market will also see a rise. Strong action plans are needed to create a robust demand for enterprise drones and also to mitigate the counter effects in India as the it aims to become the global drone hub by CY30.

Mining

The Indian mining-based drone market is current potential is US$ 13M in CY22. The drones are used primarily for mining across planning, operations, environmental protection, and security. At the time of planning, quick mapping of the area, hauling route optimization, and providing control information are all possible with drones.

These digital representations of data can be used to track how a site has changed over time. Drones also assist with blast planning at the site and calculating inventory volumes. For operations, drones aid with traffic management at the mining site by helping operators optimize stockpile locations, loading floors, designing haul routes, etc. Drones can capture high-quality thermal images for surveying and mapping. Another essential step in mining that drones can easily accommodate is stockpile management.

Use of drones in India's mining sector:

- The Central Mine Planning and Design Institute (CMPDI) is currently assessing the viability of the wider use of drone technology for mine surveillance on behalf of Coal India Limited and its subsidiaries. In August 2022, CMPDI stated that they are conducting pilot testing in mines. If the assessment is positive and desired results are obtained, it will reach out to private drone firms to perform the work and further research.
- The Andhra Pradesh government deployed drones for the monitoring of stockpile storage, 3D mapping, and volumetric analysis of limestone.
- Tata Steel to deploy drones at the Noamundi iron ore mines in Jharkhand, Uttar Pradesh, for boundary and safety zone surveillance, compliance reporting, volume calculation at the dumping and quarry area.
- The Rajasthan government has deployed drones to prevent illegal mining in the state.

Oil and gas

Drone usage in the construction and real estate is projected to have an estimated potential of US$ 6M in CY22. Drones can directly impact the inspection and monitoring of refineries, pipelines, and platforms by making it safer for labor and reducing manual effort. Upstream, midstream, and downstream are three broad segments in the oil and gas industry.

Current process of exploration is thorough land surveys of proposed locations, and strict adherence to environmental and safety regulations are necessary for the oil and gas business to operate effectively. Drones are said to reduce the inspection time by 80% compared to the manual process. Drone would help provide efficient and accurate real-time data for all the steps with the help of thermal sensors and cameras to detect the site.

Usage of drones in oil and gas:

- Indian Aviation Ministry has allowed Indian Oil, the leading oil marketing company to use drones for aerial surveillance of its pipeline.
- Oil India Limited (OIL) to launch advanced drone surveillance project in Assam’s Dibrugarh district. The fundamental goal of implementing the drone surveillance project is to have a total vision of crude oil delivery lines and pipelines across wide areas, enhance their operations, and ensure the security of national assets.

Logistics

In CY22, the India logistics drone market potential stands at US$ 0.76B. The current challenges faced by Indian logistics industry such as, rugged geographical terrains, higher population density, and inadequate infrastructure can be addressed through drones. Drone use cases and utilities have emerged in healthcare, agriculture, and other industries and with further advancement, drones will soon be able to cater to the logistics industry.

Note: Potential is estimated by benchmarking with estimated global drone penetration across first, middle and last mile deliveries in India and extend of drone usage in the industry.

Logistics challenges that drones could solve:

1. Last-mile delivery is typically the most time consuming and comprises an estimated 50 per cent of the total logistical costs. To tackle the inefficiencies in last-mile logistics, a growing number of logistics stakeholders are turning to drone technology as it can control operational costs satisfying the customer demand and instant delivery.
2. Overcome traffic bottlenecks and reduce vehicular emissions ensuring on time delivery while being ecologically sustainable.
3. Allow companies to reach areas that cannot be accessed by other modes of transport due to difficult terrain.

With an increased number of online shoppers, trends like same-day delivery, and players shifting to delivery under 40 minutes, the need for quick delivery has increased significantly over the past few years. Drones are anticipated to transform the logistics sector in India by enabling faster, alternate delivery methods, inventory management, last-mile delivery, middle mile, short-range B2B / warehouse to warehouse delivery, and efficient operations.

Middle Mile delivery:

The demand for faster and more efficient mid-mile delivery for the e-commerce and quick-commerce industries is growing at a tremendous pace. Industries such as consumer goods and retail utilize it the most with competitive pricing and high margins, middle mile delivery can help streamline the supply chain and assist companies in exceeding the competition. Middle mile drones can reduce the hours of transportation and handoff times associated with trucks and other ground vehicles. Last-mile delivery drones have smaller payload capacities and shorter ranges than drones being developed for middle-mile logistics. Since the payloads for middle mile is comparatively higher, and for longer distances, the cost benefits of middle mile drones are higher against conventional transportation. Mid-mile delivery systems require substantial route planning and testing to be scaled.

The government of India has been taking various initiatives to encourage drone delivery experiments in the country. There is a huge opportunity in India to use drones for middle mile (hub to hub) logistics and eventually to take it global. Indian logistics companies, manufacturers and technology service providers are now in the right place to capitalize on this opportunity and contribute to the burgeoning logistics sector in the country.

Usage of drones in logistics:

- Flipkart Health Private Ltd., the medical branch of Flipkart Private Limited tested drones with Beyond Visual Line of Sight (BVLOS) from its warehouse in Baruipur, West Bengal, to several Health Buddy OTC sites in Kolkata and its suburbs.
- In September 2021, a drone developed for BVLOS was used to deliver life-saving medicines and vaccines in Vikarabad district of Telangana. (Collaboration of the Telangana government, HealthNet Global Ltd., NITI Aayog and World Economic Forum).
- Swiggy (Bundl Technologies Private Limited) in India is the first in deploying drones to back its Instamart service. Instamart will commence its pilot project in the Delhi and Bengaluru, to deliver groceries between store-to-stores within the seller's network.

Consumer

The consumer market potential is expected to be ~US$ 0.10B. In addition to traditional flight enthusiasts and hobbyists, consumer drones are becoming increasingly popular among people who wish to earn a second income, explore aerial photography, or fly drones for leisure. The growing prominence of aerial photography is propelling the demand for consumer drones. Drones are being used by the media and entertainment industries for aerial photography, cinematography, and special effects.

Besides leisure use, influencers and content creators are grabbing the opportunity to create firsthand creative content for their followers' using drones. Given the government regulations and public awareness, consumers are expected to steadily adopt drones for both leisure as well aerial photography use cases.

Methodology: Sports broadcasting, aerial shots, wedding footages and influencer drone content are the major use cases considered for estimation of market. potential. Currently, aerial filming of weddings holds the highest potential for India, assuming one drone is used and that too only in urban weddings.

Passenger

The passenger drone market potential is estimated to be ~US$ 0.08B. Many companies are currently investing in R&D for drones to transport people, mail, or carry sick people to hospitals and medical clinics during medical emergencies. The growing population, the number of vehicles, and the lack of road infrastructure will act as driving forces for the passenger drone market. Innovations in the automotive industry, such as electric vehicles and autonomous driving, will serve as catalysts for developing energy-dense batteries, improved artificial intelligence, and model frameworks for the regulatory and consumer acceptance of advanced air mobility.

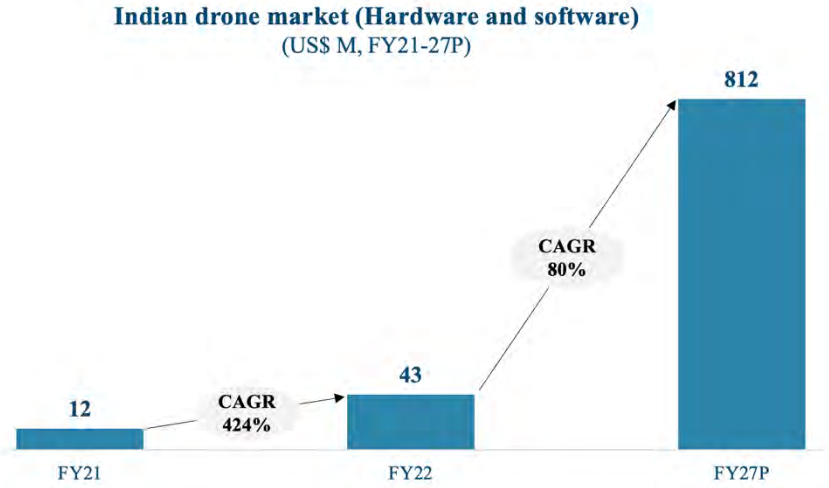
Use of drones in passengers:

India's first passenger drone, 'Varuna', will soon be inducted into the Indian Navy. The drone is equipped with a ballistic parachute, which will be used in case of a malfunction. The drone has been designed to help the Navy transfer its personnel between warships, rescue operations and serve as an air ambulance in rural areas.

Note: Potential market for passenger is calculated basis considering Indian shared mobility and the extent of drone usage penetration among shared mobility commute in India.

The Indian drone industry is rapidly evolving with increased adoption drone across various potential use cases

The Indian drone market is projected to grow from US$ 43M by FY22 to US$ 812M by FY27, exhibiting a growth CAGR of 80% FY22-27. Major drivers behind drone industry growth are industry favorable policies, increased demand for monitoring and surveying, cost-effective data collection, and introduction of new use cases such as utilities and search and rescue operations.



Note: The drone market indicated compromises of only hardware and software.

The drone sector in India has experienced numerous regulatory changes. In CY14, India outlawed drones for personal use, thus stunting the growth of the sector. As a result, India's drone sector is incredibly modest when compared to the rest of the world and accounted for less than 0.1% of the overall market through FY21. Now, India is experimenting, investigating, and putting drones to use in a variety of applications across industries like defence, enterprise and consumer.

By CY27, drone software and services are expected to hold a larger share of the drone market than drone hardware

By business model, the drone market is made up of drone hardware, software, and services. Drone hardware can be procured or leased, the software can be bought or used on a subscription basis, and services can be availed. In CY22, drone hardware procurement constitutes a large chunk of the drone market due to defence contracts. Even in the enterprise segment, end users and service providers are first expected to build their fleets. Consumers also purchase drones for recreational and entertainment purposes. In CY21, the Indian government launched financial incentives, such as the PLI scheme, for businesses to make drone hardware, highlighting its desire to increase domestic manufacturing and transform the nation into a hub for global manufacturing by CY30. This move will significantly contribute to global hardware market as it has gained momentum since past year as a result of supply-chain dynamics that have been affected by the epidemic as well as geopolitical unrest.

By CY27, drone software and services are expected to be a larger market than drone hardware, as software and service solutions are expected to pick up once drone fleets are maintained in the enterprise segment. Software and services are being tailor-made to use cases. Drone videography/ photography services in the consumer segment are also expected to contribute to the growth of drone software and services. In India, logistics and passenger use cases are still in a nascent stage with companies testing their capabilities. If drones are deemed safe and reliable for logistics and travel, they are expected to behave like the enterprise segment, wherein service providers would build their fleets first and then end users would avail services.

Drone software allows for the precise collection, processing, and analysis of data in real-time. This is enabled by a combination of technology, including the global positioning system (GPS), geographic information system (GIS), and advanced AI software.

The drone service market enables customers to maintain a lean operating model by providing end-to-end services of drone-based operations without the purchase of any hardware / software. The drone service provider would focus on the drone program, while the company would focus on its core business. As a result, they no longer need to use their own funds to pay for drone hardware, software, pilots, and pilot training programs. The drone services market is segmented into three categories:

- Drone platform services / Drone-as-a-Service (DraaS)
- Drone training and education services
- Drone maintenance, repair, and overhaul (MRO)

DraaS is a ready-to-fly network of drones which allows users to schedule or request on-demand flights, without the hassle of owning hardware, software or trained manpower. Customers can avail the DraaS service as per 'pay per use' model which helps reduce their initial investment and increases adoption rate. DraaS is used in urban environments for police and paramilitary services, fire brigade services, public asset inspection, public survey application, urban waste volumetric analysis, urban disaster assessment, pick-up or delivery of goods, rail infrastructure security. DraaS may also be utilized for pesticide and fertilizer spraying, as well as crop evaluation, to assist the farming community.

- *Defence*

Currently, the defence sector spends the most on drones. The defence sector spending is majorly made up of large government contracts. Since capital-intensive businesses rely on large cash inflows to build reliable and scalable technologies, the defence sector is a significant contributor to hardware solutions in the drone market. These large government contracts have allowed the defence sector to be an early and crucial innovator of drone technology.

Going forward, the global defence sector spending as a percentage of the total drone market is expected to reduce from 48% in CY22 to 34% in CY27 due to increased spending by the enterprise and logistics segments. Even then, in CY27, the defence sector would contribute US$ 17B to a US$ 50B drone market, with a sizable portion of that spending expected to be on the procurement of hardware and domestic development of autonomous systems.

- *Enterprise*

The enterprise segment contributed 33% of the total drone market in CY22. Enterprises spend on drone hardware, software, and services like other use cases. The proportion of each depends on the operating model of the company. Following are the models a company may choose to adopt for their drone program:

- **In-house development model:** A company develops proprietary drone hardware and software systems.
- **Hybrid model:** A company either develops drone hardware or software and enters a strategic partnership for what it cannot make in-house. E.g., a drone software-based company can test its software by leasing drones from a drone original equipment manufacturer (OEM) without making high investments in procurement. In this case, the OEM will provide drone-as-a-service (DraaS) to a drone software-based company. Once tested, the drone software might be used by another company making it a software-as-a-service (SaaS) product.
- **Outsourcing model:** A company chooses to outsource their drone program by partnering with service providers for their hardware and software.

Drone software and services in the enterprise segment vary based on the use cases. To put this into perspective, the software required to inspect a building versus a railway line with the help drones would be different as the AI would need to detect and highlight different aspects. Even within these sub-use cases, there are multiple methods for inspection which would be desired by a company. As a result of this, drone software and services tailor-made to use cases are growing. Hybrid and outsourcing models allow end users to remain asset-light and are therefore expected to be preferred operating models for drone programs.

Many businesses in India have begun providing services across industries in order to take advantage of the rising drone services market. For example, a Bengaluru-based DraaS provider offers 'pay per use' drone services for agriculture, survey/mapping, surveillance, inspection of manufacturing units, the oil and natural gas industry, solar panels, windmills, and real-estate construction projects. By lowering the initial investment required, users can more easily adopt and benefit from this new technology. Additionally, by deploying 6 lakh drones in 6 lakh villages in India by CY25, a Chennai-based DraaS business hopes to empower Indian farmers and the agriculture sector.

With the implementation of Drone Shakti initiative, Atal Mission, PLI scheme and the SAMITVA scheme, favorable policies by the Indian government have enabled increased investments and focus on R&D in the drone software and services market. The PLI incentive launched by the Government of India has motivated businesses are motivated to invest in drone software and services, which has numerous applications in many areas, particularly for India's agriculture and security. According to a GoI estimate, these policies might encourage over US$ 0.625 million (INR 5 Cr) in investments in the drone and drone manufacturing industries over the next three years.

- *Consumer*

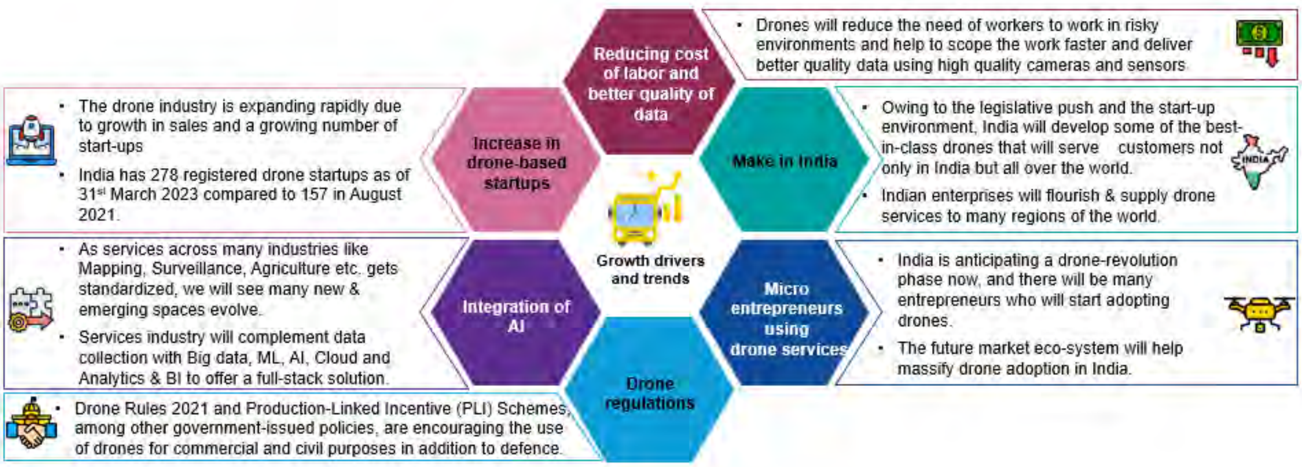
Apart from defence, another key contributor to the spending on drone hardware procurement is the consumer segment. Companies manufacturing drones for consumers often try mixing hardware available at a low cost with software that can be generic for everyone or highly suitable for certain users. Similar to how the smartphone market with consumers works today, in the drone market, drone hardware is the product the consumer purchases, while drone features and software act as key price differentiators for drone manufacturers.

Going forward, the recreational drone market is expected to witness a fall in the share of the overall drone market, while videography is expected to rise. Since recreational drones only contribute to the drone hardware market, and drones made for videography/ photography contribute to both hardware and services, the consumer drone software and services market is likely to grow at a faster pace than the consumer drone hardware market.

While the early adopters of recreational drones were majorly hobbyists, and the current users are not limited to those drone hobbyists and drone enthusiasts. This is because for consumers, the functionality of drones has not generally gone beyond flying them for fun or using it as a camera in the air. In the case of videography/ photography, drone usage has evolved from being used as an alternative to a helicopter to being used for the versatility of shots that can be taken. Relaxations of federal and local regulatory restrictions on when and where drones fly have fueled the growth of drone videography/ photography.

Key trends and growth drivers, including recent policy changes

Made in India, government regulations and increasing drone-based start-ups are vital factors contributing to the growth of the Indian drone industry. Along with Government's aim to turn India into a hub for drone technology, increased use cases and emerging applications in drone sector are some of driving factors, among others.



Drone manufacturing value chain and equipment infrastructure in India

Under the Indian drone ecosystem, the companies are active across all segments, i.e. Hardware, operations, and services. The various components are described in the value chain and compromises of the following:

Hardware: Construction and maintenance of UAS-related infrastructure

Operations: Operations included the physical arrangements for drones to take off and land vertically, professionals to operate them, and counter-drone facilities.

Services: Includes the software used to manage the information collected by drones and services post-sale.

	Hardware		Operations				Services	
	Components	OEM	Physical infrastructure	Operators	Counter Drone	Navigation and UTM	Data Management	Support Services
Description	• Components used on a UAV platform	• Entire UAV system manufacturing and/or assembly	• Physical infrastructure for UAV takeoff, landing, recharging	• Professional operators for UAV • Remote pilots	• Threat prevention and mitigation	• Systems designed to navigate airspace	• Software and analytics to digitize the information collected by UAS	• Services supporting the UAS ecosystem
What's included	• Batteries • Sensors • Payloads • Motors • Propellers	• UAV systems as per usage	• Launch pads • Charging station • Verti-ports	• Photography • Mapping • Inspections and survey • Picking and dropping items	• UAV guns • Shields • Nets • Lasers	• AI software • Route planning • GPS devices • Unmanned traffic management	• Image processing software • UAS mapping software	• Insurance • Retail and distribution • Training and consulting

Notes: OEM stands for Original equipment manufacturer, UTM stands for Unmanned traffic management

As part of Atmanirbhar Bharat, India intends to develop the whole value chain by cutting down on import dependence while improving the quality and safety standards of made-in-India drones to enter the global value chain. Advancements in robotics, artificial intelligence, miniaturization, automation, thermal imaging, materials science, etc., will support various commercial and civilian usage of drones in sectors like utilities, agriculture, infrastructure, telecom, and mining, undertaking different activities with substantial enhancements in cost and efficiency. India's drone ecosystem is advancing, driven by the rise in manufacturers / service providers in the market and relevant laws to support the growth.

Drone company benchmarking

In comparison to domestic and international players, ideaForge drones features a variety of use cases across defence and civil. Additionally, compared to other Indian drone pure play drone manufactures, ideaForge has the highest revenue of US$ 22M in FY22. In comparison to global peers, basis the available data, ideaForge registered the highest EBITDA margin of 33.7%.

		ideaForge	asteria	sde	AUS	TUNGA	DCM SHRIRAM	adani Defence and Aerospace	NewSpace	TATA	RAPHE mPhibr	DUMS
Year of establishment		2007	2011	2015	2013	2020	2021	2017	2017	2012	2017	2019
Defence		✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	✓
Enterprise	Agriculture	✓	✓	✗	✓	✗	✓	✓	✗	✗	✗	✓
	Energy and utilities	✓	✓	✗	✗	✓	✗	✗	✗	✗	✗	✓
	GIS, construction & real estate	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗	✓
	Mining	✓	✓	✗	✓	✗	✗	✗	✗	✗	✗	✓
	Oil & gas	✓	✓	✓	✗	✓	✗	✗	✗	✗	✗	✗
	Public safety	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗	✓
Logistics		✗	✗	✗	✗	✗	✓	✗	✗	✗	✓	✓
Passenger		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Financials	Revenue from operations (US$)	21.8M (FY22)	2.6M (FY22)	1.0M (FY22)	0.8M (FY21)	NA	1.1B (FY21)	9.3B (FY22)	0.03M (FY22)	40.6B (FY22)	0.1M (FY20)	0.6M (FY22)
	EBITDA margin (%)	44.8% (FY22)	9.5% (FY22)	14.8% (FY22)	67.2% (FY21)	NA	13.4% (FY21)	6.8% (FY22)	-6,333% (FY22)	23.8% (FY22)	-508.9% (FY20)	20.8% (FY22)
	PAT margin (%)	33.7% (FY22)	-23.8% (FY22)	8.6% (FY22)	4.9% (FY21)	NA	8.0% (FY21)	0.7% (FY22)	-8.666% (FY22)	13.4% (FY22)	-600.0% (FY20)	0.5% (FY22)

		ideaForge	dji	AUTEL	Skydio	LOCKHEED MARTIN	TELEDYNE FLIR	AV AeroVironment	quantum systems	wingtra	senseFly	AeroSentinel
Year of establishment		2007	2006	2014	2014	1995	1978	1971	2014	2016	2009	2007
HQ		India	China	China	USA	USA	USA	USA	Germany	Switzerland	Switzerland	Israel
Defence		✓	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓
Enterprise	Agriculture	✓	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓
	Energy and utilities	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓
	GIS, construction & real estate	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓
	Mining	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓
	Oil & gas	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗
	Public safety	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓
	Counter Drones	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗
Logistics		✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗
Passenger		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Financials	Revenue from operations (US$)	21.8M (FY22)	NA	NA	NA	66.0B (CY22)	5.5B (CY22)	445.7M (FY22)	NA	NA	12.5M (CY20)	NA
	EBITDA margin (%)	44.8% (FY22)	NA	NA	NA	11.2% (CY22)	18.3% (CY22)	-3.1% (FY22)	NA	NA	NA	NA
	PAT margin (%)	33.7% (FY22)	NA	NA	NA	8.7% (CY22)	14.4% (CY22)	-0.9% (FY22)	NA	NA	NA	NA

Drone product benchmarking

	Parameters	ideaForge Netra V4 Pro	Tunga Drishya Pro	Asteria A410	FLIR SkyRaider	Lockheed Martin Indago	DJI Matrice 300 RTK
Benefits	Company Headquarters	ideaForge India	Tunga Aerospace India	Asteria Aerospace India	Teledyne FLIR USA	Lockheed Martin USA	DJI China
	Application	• Defence • Public safety • Emergency response • Mapping	• Rescue and damage assessment • Crowd control, management • Target monitoring • Vegetation and wildlife survey	• Military ISR • Homeland security • Law enforcement • Surveillance and security	• Immediate ISR clandestine operations payload delivery situational awareness • Beyond line-of-sight reconnaissance • Force protection • Target recognition • Manned/unmanned air strikes	• Expeditionary intelligence, surveillance • Reconnaissance (ISR) applications	• Firefighting, search and rescue • Law enforcement • Powerline inspection • Oil and gas • Geomatics
Performance	Weight (Kg)	< 6 Kg	6 Kg	< 5 Kg	5 Kg	2 Kg	6.3 Kg
	UAV size	<1.5 m x 1.5 m	Data not available	Data not available	Propeller tip to propeller tip : 1.35 m	0.8 x 0.8 x 0.2 m	0.81 × 0.67 × 0.43 m
	Endurance	Over 90 minutes	Over 60 minutes	Up to 45 minutes	Over 40 minutes	50 - 70 minutes	Up to 55 minutes
	Range of transmission	15 Km	6+ Km	5 Km	Data not available	10 – 12 Km	15 Km
	Cruise speed	14 m/s	7 m/s	12.5 m/s	14 m/s	Data not available	23 m/s
	Propulsion	Battery Powered Electric Propulsion	Electric Battery Operated	Data not available	Data not available	Data not available	Data not available
	Maximum operating altitude (AGL)	1,000 m	Data not available	500 m	Data not available	~150 m	Data not available
	Maximum launch altitude (AMSL)	4,000 m	1,500 m	4,000 m	Data not available	5,500 m	7,000 m

Reliability	Functional Temperature Range	-20°C to +55°C	-10ºC to 55ºC	-20 to +55 C	-20°C to 50°C	Not available	-20°C to 50°C
	Dust & Drizzle Resistance	IP54 rating	Data not available	Data not available	Tested to IP-54 and military standards	IP 54 (pursuing IP 67)	IP45 rating
	Technical Life of UAV (Landings)	Minimum 2,000 landings (OEM Certification)	Minimum 500 landings	Not available	Data not available	Data not available	Data not available
Autonomy	Launch & Recovery	Autonomous Vertical Take-Off & Landing (VTOL)	Autonomous (VTOL)	A Vertical Take-Off and Landing small RPAS	Group 1 VTOL aircraft	Autonomous VTOL	Data not available
	People Detection @ day	✓	✓	Data not available	✓	✓	Data not available
	People Detection @ night	✓	✓	Data not available	✓	✓	Data not available
TCO	Payload Characteristics	• Electronic and Gimbal stabilization of video output at all zoom levels in real-time	Data not available	• 1920 x 1080 (Full HD) 10x zoom daytime video camera • 640 x 480 night time infrared video camera • Three-axis gimbal stabilized payload	Ability to carry and deliver multiple payloads up to 3.5 Kg	Data not available	• Maximum payload capacity of 2.7 kg • Single Downward Gimbal • Dual Downward Gimbals • Single Upward Gimbal, Upward and Downward Gimbals • Triple Gimbals • Resolution - 960p • FOV - 145° • Frame rate - 30 fps
	Payload Options	• Daylight HD (1920X1080) with 20x optical zoom video payload • FOV: 54-2.7" • Thermal 640X480 video payload (Optional) • FOV: 12 degrees • 24 MP Photogrammetry payload • High accuracy L1 & L2 Frequency Band Enabled PPK X, Y Accuracy: <10 cm (0.32ft) at 120m (400 ft) AGL (with 95% confidence interval) Z Accuracy: < 20 cm (0.65ft) at 120m (400 ft) AGL (with 95% confidence interval) Onboard Storage: Minimum 64 GB (expandable) – Optional	Data not available	Data not available	• Hot-Swappable payload • Custom payload supported through the Payload Development Kit (PDK)	• Multiple hot-swappable payload options • Gross take-off weight of 2.2 Kg with payload included (2,268 grams)	Data not available

ideaForge's Netra V4 pro is one of few multi-rotor UAVs with total flight time (Endurance) of more than 90 minutes. It is one of the few UAVs that guarantees full support upto a maximum of 2,000 landings, as per the OEM (Original equipment manufacturer) certification.

The Netra V4 pro is one of the few drones that provide multiple failsafe features. It is programmed to auto return to home location and land on low battery, other circumstances for return include communication failure, exceeding wind limit of the system or other UAV health parameters. It is also one of the few drones which has the ability of target tracking with an enhanced 'moving target' indication feature as well.

Netra V4 pro's packaging provides waterproof backpacks to carry all mission critical components with IP54 rating for dust and drizzle protection. It takes less than five minutes to swap out any payload that can be fitted with Netra V4 pro UAV. ideaForge's UAVs are equipped with industry leading specifications and capabilities, comparable to those of other established global players in the UAV industry, thus making ideaForge one of the leading design and technology players in the UAV market.

	Parameters	 Switch	 Asteria AT-15	 Paras Defence FIXAR 007	 Tata Rakshak	 Autel Dragonfish - Standard	 Lockeed Martin Stalker XE
Benefits	**Company**	ideaForge	Asteria Aerospace	FIXAR tie-up with Paras Aerospace	Tata Advanced Systems	Autel Robotics	Lockheed Martin
	Headquarters	India	India	India	India	China	USA
	Application	• Security and surveillance • Anti-terror • Border security • Crime control	• Security and surveillance • Power asset inspections and renewable energy • Logistics	• Aerial photography • Laser scanning • Real-time video monitoring • Multispectral imaging • Delivery	• Security and surveillance	• Public Safety, forest fire prevention • Powerline inspection • Traffic law enforcement • Coastal patrol and security • Agriculture monitoring	• Defence and security
Performance	**Weight**	< 7 Kg	<10 Kg	7 Kg	Not available	9 Kg	~11 Kg
	UAV size	<2.6 x 1.8 m	Data not available	Wingspan - 1.620 m	Data not available	1.290 x 2.300 x 0.460 m	Length - ~2 m Wing span - 3.6 m
	Endurance	Over 120 minutes	Up to 120 minutes	Up to 60 minutes	80 to 120+ minutes	126 minutes	Up to 120 minutes
	Range of transmission	15 Km	20 Km	40 Km	15-50 Km	~30 Km	Data not available
	Cruise speed (meter/sec)	~13 m/s	16.5 m/s	18-20 m/s	Data not available	17 - 30m/s	15.5 m/s
	Propulsion	Battery Powered Electric Propulsion	Data not available	Data not available	Electric motor	Data not available	Hybrid Power System Propane/ Rechargeable Battery
	Maximum operating altitude (AGL)	1,000 m	1,000 m	Data not available	1,000 m	Data not available	3,650 m
	Maximum launch altitude (AMSL)	4,500 m	3,000 m	6,000 m	1,000 – 4,000 m	6,000 m	6,000 m
Reliability	**Functional Temperature Range**	-20°C to +55°C	-10°C to 55°C	-20 to +55 C	-20°C to 50°C	Not available	-20°C to 50°C
	Dust & Drizzle Resistance	IP54 rating	Data not available	Data not available	Tested to IP-54 and military standards	IP 54 (pursuing IP 67)	IP45 rating
	Technical Life of UAV (Landings)	Minimum 2,000 landings (OEM Certification)	Minimum 500 landings	Not available	Data not available	Data not available	Data not available
Autonomy	**Launch & Recovery**	Autonomous Vertical Take-Off & Landing (VTOL)	Autonomous (VTOL)	A Vertical Take-Off and Landing small RPAS	Group 1 VTOL aircraft	Autonomous VTOL	Data not available
	People Detection @ day	✓	✓	Data not available	✓	✓	Data not available
	People Detection @ night	✓	✓	Data not available	✓	✓	Data not available
TCO	**Payload Characteristics**	• Electronic and Gimbal stabilization of video output at all zoom levels in real-time	Data not available	• 1920 x 1080 (Full HD) 10x zoom daytime video camera • 640 x 480 night time infrared video camera • Three-axis gimbal stabilized payload	Ability to carry and deliver multiple payloads up to 3.5 Kg	Data not available	• Maximum payload capacity of 2.7 kg • Single Downward Gimbal • Dual Downward Gimbals • Single Upward Gimbal, • Upward and Downward Gimbals • Triple Gimbals • Resolution - 960p • FOV - 145° • Frame rate - 30 fps
	Payload Options	• Daylight HD (1920X1080) with 20x optical zoom video payload • FOV: 54-2.7° • Thermal 640X480 video payload (Optional) • FOV: 12 degrees • 24 MP Photogrammetry payload • High accuracy L1 & L2 Frequency Band Enabled PPK X, Y Accuracy: <10 cm (0.32ft) at 120m (400 ft) AGL (with 95% confidence interval) Z Accuracy: < 20 cm (0.65ft) at 120m (400 ft) AGL (with 95% confidence interval) Onboard Storage: Minimum 64 GB (expandable) – Optional	Data not available	Data not available	• Hot-Swappable payload • Custom payload supported through the Payload Development Kit (PDK)	• Multiple hot-swappable payload options • Gross take-off weight of 2.2 Kg with payload included (2,268 grams)	Data not available

ideaForge's Switch UAV is one of the only UAVs which offer endurance of more than 120 minutes in <7 kg weight globally. It can even operate at maximum launch altitude of 4,500 meters. Further, it is one of the lightest weighing machines, with a total weight of less than 7 Kgs. Similar to Netra V4+, ideaForge's Switch UAV is also installed with failsafe features such as auto return to home location and land on low battery, communication failure, exceeding wind limit of the system or other UAV health parameters. It also offers target tracking with enhanced moving target indication feature.

Switch UAV is a first-of-its-kind VTOL and fixed-wing hybrid UAV that can load with publicly available open-source maps. It also has the capability to incorporate geo-referenced maps in at least one of the generally used digital map formats (e.g., GIF, TIFF) as well as shape files (.shp). For 3D Maps, Switch can incorporate elevation data from SRTM and DTED into 3D Maps. It included packaging provides waterproof backpacks to carry all mission critical components with IP66 or better rating for dust and drizzle protection, similar to Netra V4+. Each payload that can be attached to the Switch UAV can be swapped out in less than five minutes. ideaForge faces competition from companies such as Asteria Aerospace Private Limited, DCM Shriram Limited, Adani Defence and Aerospace (Adani Enterprises Limited) as well as other international companies such as Lockheed Martin Corporation and Autel Robotics Corp. Limited which operate in the same line of business as ideaForge and offer similar products.

COMPANY AND PARENTAGE ANALYSIS

ideaForge history and timeline

Founded in 2007, ideaForge is the fastest growing and most profitable player (among PLI eligible players) in the UAV industry as of FY22. ideaForge is the pioneer and the pre-eminent market leader in the Indian unmanned aircraft systems ("**UAS**") market, with a market share of 50+% in FY22. Being among the first few players in India to enter the UAV market, ideaForge has first-mover advantage and also has the distinction of being the first company to indigenously develop and manufacture Vertical Take-off and Landing (VTOL) UAVs in India in 2009. The company is the largest drone manufacturer in India as of September 30, 2022. ideaForge had the largest operational deployment of UAVs across India given its early establishment in 2007 compared to its peers and the revenue market share that the company holds.

ideaForge has filled more than 30 patents, deployed over 1,500 systems and trained over 3,200 pilots in governmental organizations and defence forces as of FY23. ideaForge has built a strong foundation on the basis of its industry leading design and technology capabilities and vertically integrated operations, enabling it to secure numerous contracts for defence and homeland applications, among them being a US$ 20M contract with the Indian Army for its SWITCH 1.0 UAVs, which it delivered on time in November 2021.

ideaForge also stands to benefit from the ban on import of drones in completely-built-up (CBU), semi-knocked-down (SKD) or completely-knocked-down (CKD). With the recent "Atmanirbhar Bharat Abhiyan" efforts from the Government of India, where the emphasis has been on indigenization, ideaForge plans to capitalize on such programs and lessen its dependence on imports, hence lowering their import expenditure.

The founders of ideaForge, back in 2004 (in IIT, Mumbai) built one of the first quadrotor drones (in India) to enter a college fest. Following this, in 2009, ideaForge demonstrated Netra UAV in DEFEXPO, exhibiting the product launch of India's first quadracopter drone at DEFEXPO. In addition, in 2009, ideaForge developed one of the world's smallest and lightest autopilot. An early prototype of ideaForge's VTOL UAV was featured in the Bollywood movie '3 Idiots', in 2009.

In 2010, ideaForge's co-founder Ashish Bhat won the award for *'Best Autonomous Hovering Vehicle'* amongst 16 global competitors and was mentioned in the Massachusetts Institute of Technology's '*Technology Review list of 35 Innovators under 35'*. for developing the world's smallest and lightest autopilot for drones (ideaForge drones) weighing 10 grams

During the 2015 earthquake, ideaForge UAVs were used for site monitoring in Kathmandu, Nepal, and other locations to aid with the search and rescue activities. During the 2016 terrorist incident in Pampore, ideaForge UAVs were able to deliver crucial intelligence by revealing the precise locations of the terrorists. ideaForge's Ninja UAV was utilized to curb theft and pilferage cases with its partnership with railways to boost their surveillance operations.

Furthermore, in fiscal year 2017, ideaForge developed the first hybrid VTOL drone with fixed wings in India, known as the SWITCH UAV. This drone was equipped with additional fail-safes and enhanced safety features.

In CY21, the NETRA UAV was utilized to aid rescuers in search and rescue efforts during the floods in Uttarakhand. ideaForge is among the first few drone companies selected for survey grade mapping for Survey of Villages Abadi and Mapping with Improvised Technology Village Areas (SVAMITVA) by Survey of India (SOI). ideaForge became one of the few drone company to be featured on the New York Times Square as of CY21. In FY22, ideaForge has established market leadership with more than 50% market share in India drone space in terms of revenue.

Innovation in products

With its innovation driven focus, ideaForge has superior quality drones for various applications and functions. ideaForge's provided capabilities such as take-off area suitability check, coverage area check and target location coverage check for off-site mission planning prior to deployment are unique in the industry. As a part of the end-to-end solution provision, customers are enabled with their 'BlueFire Live!' platform, which enables live streaming of the UAV video feed and payload control from anywhere in the world over the internet. The BlueFire Live! Platform is offered as a software-as-a-service ("SaaS"). Further, MapAssist, ideaForge's software, seeks to make geotagging simple and intuitive. It not only enables safe and autonomous mapping operations with the ground control station BlueFire Touch (BFT) but also optimises the data captured and reduces the processing time. As a result, the drones are suitable for large-area mapping operations, with the lowest Total Cost of Ownership (TCO), which is critical for these projects.

Innovation in products	
 **RYNO**	• RYNO, the micro-category drone has advanced mapping payload and state-of-the-art PPK module • Owing to its high accuracy in mapping applications, RYNO is the only drone approved by SOI for Swamitva Yojana, one of the biggest drone mapping projects in the world
 **Q6 UAV**	• Q6 Mapping UAV, the small category drone optimizes survey grade outputs while minimizing piloting workload. • PPK antenna delivers continuous survey grade performance even over difficult terrain
 **NINJA UAV**	• NPNT compliant autopilot, flight area breach prevention, independent GPS-tracking, built-in RFID Tag, fire resistant UIN plate
 **Q4i**	• With its high zoom payloads, Q4i offers the situational awareness and clarity • Unique snap fit mechanism Q4i is small category VTOL UAV build and tested military operations
 **NETRA V4+**	• IP54 ingress certified, NETRA V4+ is fully autonomous with target tracking capability and versatile features to delivery outcomes in defence and civil applications
 **NETRA V4 Pro**	• NETRA V4 Pro is an upgraded version of Netra V4+ which is capable to provide an extended flight time of 90 minutes and operational range of 10 miles
 **SWITCH UAV**	• SWITCH UAV is a new age VTOL and fixed wing hybrid UAV • Return home on low battery, high winds options available • Multiple GPS for redundancy
BlueFire Live	• Bluefire is a state-of-the-art real time video streaming solution to integrate drones' real time speed with the control center • Remote users can have secured access to encrypted live-stream of drone's feed video and work on open-protocols which are easily integrated into Video Management Systems

ideaForge has diversified product portfolio of UAVs built for multiple use cases and has one of the industry's leading product portfolios for civil and defence applications (dual use). ideaForge is one of the top vendors globally for dual use drones (civil and defence), this encompasses a wide range of products from light micro drones used for advanced mapping, to megaphone drones equipped with HD camera for surveillance and public announcement, ideaForge drones have advanced technical capabilities, covering distances up to 15 km with 120 minutes flying time and, 1,000 meters operating altitude. ideaForge also has a custom in-house battery management system, ensuring higher life cycle of batteries, optimizing UAV operations. ideaForge is one of the first UAV manufacturers to receive the BIS certification for its in-house developed batteries.

ideaForge's multipurpose drone successfully showcased a supply drop simulation with commands from a distant command center over a 5G network, making it the first company to participate in the demonstration of 5G enabled UAVs at Indian Mobile Congress in 2018. Drone usage will be accelerated by 5G technology in disaster management, agriculture, crowd surveillance, traffic control, internet connectivity, and many more sectors. In March 2022, ideaForge's SWITCH UAV won the largest mini-VTOL UAV contract against global competitors from Russia, Israel, France, Ukraine, and other countries.

ideaForge is one the few players to adopt VARs and distributors channels to reach customers across India and globally, which was distinctive for PLI scheme eligible manufacture, ideaForge has partnered with distribution networks such as Savex Technologies Private Limited (India's third largest information and communication technology distributor), PV Lumens LLP, and Ingram Micro Inc. (Global technology and supply chain services provider). Given the reach of its distribution network, ideaForge has one of the best distribution network networks in India for UAVs. ideaForge offers a premier support package called 'ideaForge Care', which is renowned for replacement option of the comprehensive UAV system, in the event of any hardware or software issues, which is a unique offering in the Indian drone industry. ‘ideaForge care’ plan is one of the first-of-its-kind subscription-based support package in the Indian UAV industry.

A recent request for proposals (RFP) issued by the Ministry of Defence and the Government of India for the Indian Army to procure surveillance quadcopters in November 2022 stipulated that the UAV system need landing count of at least 500 times. The RYNO UAV from ideaForge is capable of performing four times as many landings as desired by the Indian Army, some of ideaForge UAVs have flown more than 4,500 flights as against the minimum requirement specified in RFPs for 500 flights under warranty.

Drone research and development

The government of India aims to promote domestic drone research, development, and manufacturing by promoting creation of drone infrastructure and ecosystem. Continuous product development by way of product and market research is integral for growth in the UAV industry and consequentially, many drone manufacturers are laying emphasis on product development and testing. Some of the legacy Indian defence players such as Bharat Electronics Limited and Hindustan Aeronautics Limited are currently spending between 6% and 8% of their revenue from operations on R&D related activities and investments.

INR (Cr.)	FY22	FY21	FY20
Bharat Electronics Limited			
Revenue from operations	15,044	13,818	12,608
R&D Investments	1,045	873	947
% of Revenue from operations	6.94%	6.31%	7.50%
Hindustan Aeronautics Limited			
Revenue	24,620	22,882	21,445
R&D Investments	1,967	1,687	1,232
% of Revenue from operations	7.98%	7.37%	5.74%

Product applications

With over 30+ patents filled domestically and internationally, ideaForge has vertically integrated to maintain the quality of its products. ideaForge’s customers have completed 350,000+ flights using their UAVs as of 31st March 2023. With an ideaForge manufactured drone taking off every 5 minutes on average for surveillance and mapping as of 31st March 2023, it had the largest operational deployment of indigenous UAVs across India. ideaForge has provided drones for both civil and defence use to both national and international customers. Drones made by ideaForge cater to various activities in defence and civil (such as homeland security, agriculture, construction and real estate, mining, oil and gas, and power transmission, amongst others), drone-as-a-service (DraaS), and geographic mapping.

Given its reliability, ideaForge caters to domestic as well as international customers across various sectors. ideaForge drones have an ergonomic design and have been tested in extreme weather conditions and high altitudes across India from deserts to glaciers and offers the highest technical life of 2,000+ landings. While the UAVs are mission oriented and requires minimum training, ideaForge provides its customers with the basic training required for operating the UAVs and their functionality.

Applications – Civil

Precision agriculture

- Imaging tech like hyperspectral, multispectral etc. provide time and site-specific information with soil and crop field analysis and planting & spraying

GIS, construction & real estate

- Military design specifications & all-weather operability with swappable payload and high-resolution camera allow site inspection and terrain mapping

Traffic / Crowd monitoring

- ideaForge drones give information on crowd density and movement patterns for traffic management and detection of suspicious activities
- Compact and lightweight drones transmit HD quality live feed over large distances

Disaster management

- Drones provide real-time on-ground situation, assessing damage to infrastructure to help plan rescue routes, locating stranded victims

Mining

- Industrial grade drones are used for terrain mapping, surveying, inventory estimation, and surveillance for hazardous areas

Oil and gas

- All terrain drones allow for inspection and maintenance of assets with real time visibility and GPS enabled accuracy

Utilities

- Electromagnetic resistant, compact, industrial-grade drones allow inspection of towers and assets with 60-70% time and cost saving
- Fully autonomous drones inspect structures and return to base during destructive winds

Forest and wildlife

- Fully automated drones with lower noise levels allow operators to conduct monitoring activities in varied weather conditions

Applications – Defence and Homeland

Anti-terror

- ideaForge drones are used for security and surveillance missions with adverse weather capability with swappable payload

Border security

- With real time intelligence, ideaForge drones aid in identifying border crossing patterns and perimeter surveillance

Counter insurgency

- With high endurance and long-range ability, ideaForge drones give real time insights for counter insurgency ops

Crime control

- With experience in customized drone development, ideaForge makes drones for reconnaissance and surveillance ops

Technology and manufacturing

ideaForge has designed and developed UAV technology in-house, and is one of the few vendors globally to have a full stack UAV solution along with a Ground Control Software (‘BlueFireTouch’), firmware and solutions as well as robust after sales support. ideaForge also has one of the best support networks in India for UAVs. The airframe and autopilot sub-system software have been developed in-house along with full communication systems and a command center. It has a 21,000 square foot, 600-person capacity facility to cater to the growing demand. ideaForge is one of the few OEMs globally to have its own proprietary autopilot sub-system and ground control software.

As per the latest report published by Drone Industry Insights in December 2022, ranking of best drone manufacturers worldwide. ideaForge was ranked 7th globally in the Dual-Use category (Civil and Defence) drone manufacturers.

BlueFire Touch Ground Control Software

The in-house built BlueFire Touch Ground Software has advanced mission replay and allows for Pre-emptive checks for take-off and target location for off-site mission planning. ideaForge drones provide terrain data support with in-built data to protect UAV from rough terrains in situations where terrain data is low resolution.

There are in-built capabilities for target tracking and a moving target indication and support for MAVLink Commands. Multi UAV support and support for handheld Ground Control Software such as iPads are in the works.

Note(s): COTS – commercial-off-the-shelf, EO / IR – Electro-Optical and Infrared sensors, ONVIF – Open Network Video Interface Forum

FINANCIAL BENCHMARKING WITH LISTED PEERS

Financial benchmarking

ideaForge has demonstrated strong financial performance compared to its peers. It has showcased the highest revenue growth of ~137% CAGR over FY23-20. Furthermore, with a gross margin of 68.4%, an EBITDA margin of 25.3% and a PAT margin of 17.2% in FY23, ideaForge is one of the most profitable players among the analyzed peers.

Note: There are currently no listed pure play drone manufacturing companies in India. The below peers were chosen as proxy comparables basis defence being a key application, as well as being involved in the manufacture of electronics, both of which are applicable to drones.

Financial – Revenue and profit metrics

Parameters	Company	FY20	FY21	FY22	FY23
Revenue from operations (INR M)	ideaForge	140.0	347.2	1,594.4	1,860.1
	Hindustan Aeronautics Limited	2,14,451.6	2,28,823.2	2,46,200.2	2,69,274.6
	Bharat Electronics Limited	1,29,676.7	1,41,086.9	1,53,681.8	1,77,344.4
	MTAR Technologies Limited	2,137.7	2,464.3	3,220.1	5,737.5
	Astra Microwave Products	4,672.2	6,409.1	7,504.6	8,155.2
	Data Patterns	1,561.0	2,239.5	3,108.5	4,534.5
COGS (INR M)	ideaForge	65.3	183.03	412.21	588.58
	Hindustan Aeronautics Limited	93,873.6	1,11,914.1	1,00,012.2	1,01,021.1
	Bharat Electronics Limited	70,972.8	78,260.4	88,971.6	98,275.6
	MTAR Technologies Limited	721.7	801.5	1,162.5	2,695.10
	Astra Microwave Products	2,652.7	4,458.7	5,272.1	5,182.8
	Data Patterns	560.9	704.1	860.7	1709.1
Gross Profit (INR M)	ideaForge	74.7	164.2	1,182.2	1,271.5
	Hindustan Aeronautics Limited	1,20,578.0	1,16,909.1	1,46,188.0	1,68,253.5
	Bharat Electronics Limited	58,703.9	62,826.5	64,710.2	79,068.8
	MTAR Technologies Limited	1,416.1	1,662.8	2,057.6	3,042.4
	Astra Microwave Products	2,019.5	1,950.4	2,232.6	2,972.4
	Data Patterns	1,000.1	1,535.4	2,247.8	2,825.4
EBITDA (INR M)	ideaForge	-125.1	-108.7	731.2	470.9
	Hindustan Aeronautics Limited	49,031.1	53,362.6	54,085.6	66,791.5
	Bharat Electronics Limited	27,544.6	32,105.1	33,408.8	40,858.8
	MTAR Technologies Limited	579.7	830.8	944.3	1,539.7
	Astra Microwave Products	824.9	789.7	892.2	1,476.2
	Data Patterns	431.7	919.9	1,410.4	1,718.3
PAT (INR M)	ideaForge	-134.5	-146.3	440.1	319.9
	Hindustan Aeronautics Limited	28,826.5	32,455.5	50,798.8	65,095.0
	Bharat Electronics Limited	18,247.2	20,997.6	24,002.2	29,862.4
	MTAR Technologies Limited	313.2	460.7	608.7	1,034.2
	Astra Microwave Products	440.4	288.5	378.7	698.3
	Data Patterns	210.8	555.6	939.7	1,240.0

Financial – Revenue and profit growth

Company	Revenue from Operations CAGR (FY20-23)	EBITDA CAGR (FY20-23)	PAT CAGR (FY20-23)
ideaForge	136.9%	-	-
Hindustan Aeronautics Limited	7.9%	10.9%	31.2%
Bharat Electronics Limited	11.0%	14.0%	17.8%
MTAR Technologies Limited	39.0%	38.5%	48.9%
Astra Microwave Products	20.4%	21.4%	16.6%
Data Patterns	42.7%	58.5%	80.5%

Financial – Profit margins

Parameters	Company	FY20	FY21	FY22	FY23
Gross Margin (%)	ideaForge	53.4%	47.3%	74.1%	68.4%
	Hindustan Aeronautics Limited	56.2%	51.1%	59.4%	62.5%
	Bharat Electronics Limited	45.3%	44.5%	42.1%	44.6%
	MTAR Technologies Limited	66.2%	67.5%	63.9%	53.0%
	Astra Microwave Products	43.2%	30.4%	29.7%	36.4%

Parameters	Company	FY20	FY21	FY22	FY23
	Data Patterns	64.1%	68.6%	72.3%	62.3%
EBITDA Margin (%)	ideaForge	-89.4%	-31.3%	45.9%	25.3%
	Hindustan Aeronautics Limited	22.9%	23.3%	22.0%	24.8%
	Bharat Electronics Limited	21.2%	22.8%	21.7%	23.0%
	MTAR Technologies Limited	27.1%	33.7%	29.3%	26.8%
	Astra Microwave Products	17.7%	12.3%	11.9%	18.1%
	Data Patterns	27.7%	41.1%	45.4%	37.9%
PAT Margin (%)	ideaForge	-96.0%	-42.1%	27.6%	17.2%
	Hindustan Aeronautics Limited	13.4%	14.2%	20.6%	24.2%
	Bharat Electronics Limited	14.1%	14.9%	15.6%	16.8%
	MTAR Technologies Limited	14.7%	18.7%	18.9%	18.0%
	Astra Microwave Products	9.4%	4.5%	5.0%	8.6%
	Data Patterns	13.5%	24.8%	30.2%	27.3%

Financial – Ratios

Parameters	Company	FY20	FY21	FY22	FY23
ROE (%)	ideaForge	-19.7%	-24.5%	26.9%	9.9%
	Hindustan Aeronautics Limited	21.7%	21.0%	26.3%	27.6%
	Bharat Electronics Limited	18.1%	19.0%	19.5%	21.5%
	MTAR Technologies Limited	13.9%	9.7%	11.7%	16.7%
	Astra Microwave Products	8.2%	5.2%	6.5%	10.9%
	Data Patterns	13.7%	26.7%	16.4%	10.6%
ROCE (%)	ideaForge	-22.2%	-14.8%	37.6%	10.4%
	Hindustan Aeronautics Limited	17.7%	15.9%	12.9%	13.5%
	Bharat Electronics Limited	19.7%	22.3%	20.5%	24.5%
	MTAR Technologies Limited	19.7%	14.2%	14.2%	18.7%
	Astra Microwave Products	10.4%	9.9%	10.6%	17.2%
	Data Patterns	21.1%	33.6%	22.3%	12.5%
Gross fixed Asset Turnover	ideaForge	2.7	2.0	7.3	NA
	Hindustan Aeronautics Limited	1.8	1.7	1.7	NA
	Bharat Electronics Limited	3.2	3.2	3.1	NA
	MTAR Technologies Limited	1.1	1.0	1.1	NA
	Astra Microwave Products	1.8	2.2	2.4	NA
	Data Patterns	5.0	6.2	5.4	NA
Cash Conversion Cycle (Days)	ideaForge	824.7	622.1	413.3	675.9
	Hindustan Aeronautics Limited	793.1	560.6	499.1	389.6
	Bharat Electronics Limited	266.8	247.6	236.3	260.5
	MTAR Technologies Limited	332.3	423.1	509.8	360.5
	Astra Microwave Products	500.8	390.9	351.7	389.8
	Data Patterns	674.9	574.2	579.0	627.9
Cash Flow from Operations (INR M)	ideaForge	-164.7	-308.1	655.2	-532.3
	Hindustan Aeronautics Limited	15,273.9	151,170.0	100,327.8	151,170.0
	Bharat Electronics Limited	25,704.1	50,932.2	42,072.2	12,668.6
	MTAR Technologies Limited	562.2	86.1	-298.0	74.1
	Astra Microwave Products	-72.8	-246.0	1,146.7	-217.7
	Data Patterns	134.5	549.0	521.9	-172.4

Notes:
Gross Profit = Revenue from Operations – (Cost of Materials Consumed + Changes in Inventories)
EBITDA = Profit Before Tax + Finance Cost + Depreciation and Amortization – Other Income
Gross Margin = Gross Profit / Revenue from Operations
EBITDA Margin = EBITDA / Revenue from Operations
PAT Margin = PAT / Revenue from Operations
ROE = PAT / Shareholder's Equity
ROCE = EBIT / (Total Assets – Current Liabilities); EBIT = EBITDA – Depreciation and Amortization
Gross Fixed Assets Turnover = Revenue from Operations / (Gross Property Plant and Equipment + Gross Intangible Assets)
*Cash Conversion Cycle = Days Receivable (Trade Receivables / Revenue from Operations * 365) + Inventory Days (Inventory / Cost of Goods Sold * 365) – Days Payable (Trade Payables / Cost of Goods Sold * 365)*

OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read '**Forward-Looking Statements**' on page 18 for a discussion of the risks and uncertainties related to those statements, and also '**Risk Factors**', '**Financial Information**' and '**Management's Discussion and Analysis of Financial Condition and Results of Operations**' on pages 29, 251 and 333, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information as of and for Fiscals 2021, 2022 and 2023, included herein is derived from the Restated Consolidated Financial Information, included in this Red Herring Prospectus. For further information, see '**Financial Information**' on page 251. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

*Unless the context otherwise requires, in this section, references to 'we', 'us', 'our', 'the Company', 'our Company' or 'ideaForge' refers to ideaForge Technology Limited. We operate in the Indian unmanned aircraft systems ("**UAS**") industry. A UAS includes not only the unmanned aerial vehicles ("**UAVs**") or drones, but also the ground control station ("**GCS**") software on the ground controlling the flight and the system in place that connects both of them. A UAV is a component of the UAS, since it refers to only the vehicle/aircraft itself.*

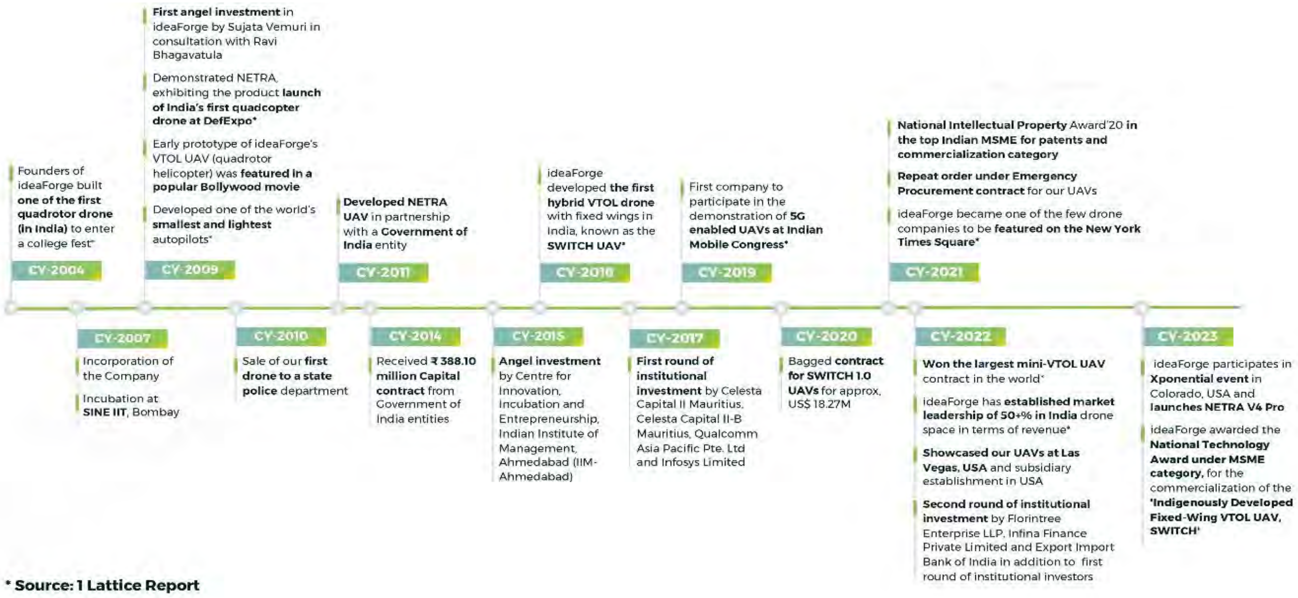
*Unless stated otherwise, industry and market data used in this Red Herring Prospectus is derived from the report titled, "Drone Industry Report" released on June 9, 2023 ("**1Lattice Report**") prepared by Praxian Global Private Limited, appointed by our Company pursuant to an engagement letter dated October 6, 2022 and such 1Lattice Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see '**Risk Factors – 39. Certain sections of this Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk**' on page 48. Also see, '**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**' on page 16. The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are the pioneer and the pre-eminent market leader in the Indian unmanned aircraft systems ("**UAS**") market, with a market share of approximately 50% in Fiscal 2022 (*Source: 1Lattice Report*). We had the largest operational deployment of indigenous UAVs across India, with an ideaForge manufactured drone taking off every five minutes on average for surveillance and mapping as of Fiscal 2023 (*Source: 1Lattice Report*). Our customers have completed over 350,000 flights using our UAVs as of March 31, 2023 (*Source: 1Lattice Report*). We ranked 7th globally in the dual-use category (civil and defence) drone manufacturers as per the report published by Drone Industry Insights in December 2022 (*Source: 1Lattice Report*). We have grown at a CAGR of 131.47% in terms of revenue from operations over the last three Fiscals, with a Return on Capital Employed of 12.51% in Fiscal 2023.

Our UAVs are equipped with industry leading specifications and capabilities, comparable to those of other established global players in the UAV industry (*Source: 1Lattice Report*). We believe that our growth over the years is attributable to our indigenous design and technological capabilities, our ability to invent, design and deliver customer centric offerings (i.e., hardware, software and solutions) and our vertically integrated operations. These capabilities allow us to design, develop, engineer and manufacture our UAVs in-house with a control on performance, reliability and autonomy. Our UAV platforms are architected with a 'mission first' approach i.e., to deliver UAVs which meet the requirements of our customers and which, we believe, can reliably sustain a large number of flights and are capable of being autonomously operated without special skills or training. In addition to being among the first few players in India to enter the UAV market, we also have the distinction of being the first company to indigenously develop and manufacture vertical take-off and landing ("**VTOL**") UAVs in India in 2009 (*Source: 1Lattice Report*). We are also the first company to participate in the demonstration of 5G enabled UAVs at the Indian Mobile Congress in 2018 (*Source: 1Lattice Report*). An early prototype of our VTOL UAV (quadrotor helicopter) was also featured in a popular Bollywood movie in 2009. We are one of the few original equipment manufacturers (“**OEMs**”) globally to have its own proprietary autopilot sub-system and ground control software (*Source: 1Lattice Report*). As a result of our continuous product development and innovation efforts, we have filed 41 patent applications, which comprise of 20 applications filed internationally and 21 patent applications filed in India, as on June 17, 2023. A validation of our product competency and an example of global acceptance of our product was when our product SWITCH UAV, according to the 1Lattice Report, won the largest mini-VTOL UAV contract in March 2022, against global competitors from Russia, Israel, France, Ukraine and other countries.

A graphical representation of our evolution and growth is set forth below.



*** Source: 1 Lattice Report**

We have one of the industry’s leading product portfolios targeted at civil and defence applications (dual use) (*Source: 1Lattice Report*). We have a broad range of products with feature-based differentiation such as weight class (approximately 2-7 kg), endurance class (25-120 minutes flying time), take-off altitude range (up to 6,000 meters), communication range (approximately 2-15 km), payload types, etc. Beyond the UAVs, we undertake a full integration of our payloads, communication system and packaging. We also build our own software stack required for flight safety, autopilot sub-system, battery, power and communication in our UAVs. We believe, this integration of complex technologies while optimizing for performance, reliability and autonomy, not only creates entry barriers for new entrants but also helps us to differentiate ourselves from other players in the market. We cater to domestic and international customers across defence and civil sectors, primarily for applications in surveillance, mapping and surveying. Our UAVs have been used in extreme conditions, from very low temperatures at high altitudes such as in Ladakh to very high temperatures such as in the Thar desert, meaning that our UAVs have experienced some of the harshest environments in the world. Given the critical nature of the application of our products (such as for defence operations), we aim to maintain a high standard for the performance and quality of our products. Some of our UAVs have flown more than 4,500 flights as against the minimum requirement specified in RFPs for 500 flights under warranty (*Source: 1Lattice Report*).

Our product portfolio consists of (a) hardware, which primarily includes UAVs, payloads, batteries, chargers and communication system (which enables communication between the ground control station and the UAVs), (b) software and embedded sub-systems, which includes the GCS software, which enables the controlling and management for our UAVs and autopilot sub-system, which enables remote control and autonomous completion of flights, and (c) solutions, which enables industry/ application specific software that enhances the value of our UAVs to the end customer. Our wide range of products gives us the necessary flexibility to meet the evolving demands of diverse customers across industries.

A brief introduction to our products is set forth below.

Product name	Description
Hardware	
NINJA 	NINJA UAV is our lightest UAV, built for security and surveillance applications during day and night with swappable payloads.
RYNO 	RYNO UAV is our micro category survey-grade UAV and is equipped with an advanced mapping payload and a state-of-the-art post processed kinematic (“**PPK**”) module.
Q4i 	Q4i is our small category VTOL UAV and is one of our most economical UAVs built with military grade standards. Q4i UAV can be used for anti-terrorism, border security, intelligence, surveillance and reconnaissance (“**ISR**”) operations, crime control and disaster management.
Q6 	Q6 is our small category UAV and may be used for surveying and mapping. Its quadcopter design and high area coverage enables it to complete large-scale mapping projects quicker than our other UAVs.
NETRA V4+ 	NETRA V4+ UAV is an intelligent and portable VTOL UAV, which is built for use in a wide range of mission-critical applications. NETRA V4+ is mostly used for coastal patrol, anti – smuggling, search and rescue, disaster and emergency analysis.
SWITCH 	SWITCH UAV is a fixed wing and VTOL hybrid. SWITCH UAV features advanced flight time, higher safety and simple operation with additional fail-safe redundancies. It is used for long range, high endurance, high altitude last mile surveillance and security operations.
NETRA V4 PRO 	NETRA V4 PRO UAV is the upgraded version of NETRA V4+ UAV and is built for use in a wide range of mission-critical applications. It is designed with quick snap fit mechanism without the dependency on tools and built for repeated uses.
Software and embedded sub-systems	
BlueFire Touch	BlueFire Touch, our GCS software, is built to plan and command both mapping and surveillance missions with the ability to pre-plan

Product name	Description
	missions based on operational area and target locations via waypoint based navigation.
Autopilot	Enables remote control and autonomous completion of flights with pre-flight checks, intelligent failsafe features, such as return to home on low battery, high wind, communication loss and battery imbalance. It also has smart altitude management and global positioning system ("**GPS**") error handling features.
Solutions	
BlueFire MapAssist	Software solution for simple and intuitive geo-tagging with flexibility for both PPK mapping as well as non-PPK mapping with optimized data capture and processing.
BlueFire Live!	Encrypted live streaming of the drone video feed and payload control for border management, emergency response, mapping, surveillance, disaster management and ISR operations. Integrates easily with CCTVs and command and control centres, operates in low bandwidth and offers easy remote payload control.
Surveillance Pro	Enables anti-terrorism applications, border security and crime control measures, ISR operations, amongst others, through advanced image intelligence features such as target tracking and moving target indicator. It has support for remote video terminal ("**RVT**") with full UAV control and airborne data relay ("**ADR**") communication modes built-in to give maximum flexibility even for specialised missions. RVT enables a second operator on ground to receive the video stream, command the UAV and control the payload to ensure on-ground forces are working on the same set of information. ADR enables a full duplex between GCS software, ADR UAV and payload/ data capture UAV. It also enables non-line of sight for ISR missions.
Geographic Information System ("**GIS**") Pro	Survey grade mapping via high resolution mapping with PPK.

In addition to the above product offerings, we are in the process of developing UAVs as an on-demand service solution, which will mean our UAVs will be deployed to enable operations in a pre-scheduled or ad hoc/ on-demand manner at a short notice. We believe this will drive access to our UAVs for many applications such as DFR, progress monitoring, inspections, etc. In DFR, we intend for our drones to be able to reach the location of the reported incident to stream live video which will help in assessing the situation and take decisions, even before first responders on the ground are able to arrive on the scene of the incident.

We have one of the best support networks in India for UAVs (*Source: 1Lattice Report*). In addition to the warranty services that we provide with our UAVs, we also provide after sales maintenance services to our customers. Our support care plan, ideaForge Care plan, is one of the first-of-its-kind subscription based support package in the Indian UAV industry *(Source: 1Lattice Report)*. Our support care plan, ideaForge Care, provides customers with a wide range of support plans suited to their needs, which includes 24x7 support and replacement UAV options. While our UAVs are mission oriented and require minimal training, we provide our customers with the basic training required for operating the UAVs and for familiarizing them with our UAVs' functionality.

Our proprietary software architecture with open interfaces is key to delivering our solutions and forms a big part of our value proposition. Our proprietary autopilot sub-system protects our UAVs with several fail-safe features against communication failure, high wind velocity, low battery, battery imbalance and extreme temperature, among others. BlueFire Touch, our ground control software, is built to plan and command missions. Its mission planning capabilities include finding suitable areas for take-off, determining coverage area based on flight path and target location coverage check for off-site mission planning prior to deployment. BlueFire Touch enhances the flight safety with capabilities such as geo fencing, terrain hugging, terrain avoidance, etc. BlueFire Touch also gives complete control of flight operations and post flight data retrieval to the professional UAV pilot onsite. BlueFire Touch's split screen video/map view feature works by allowing the user to dynamically set a side-by-side view of the map of the flight operation and the actual live stream. In addition to allowing the user to set a side-by-side view based on their comfort, the centre camera view also dynamically centers the field of view of the video, to ensure that there is no image distortion due to the change in aspect ratio, and also keep the center of frame in check. BlueFire Live!, our innovative software-as-a-service ("**SaaS**") offering, with a subscription-based business model, enables encrypted live streaming of the UAV video feed and payload control. Set forth below is a diagram illustrating our BlueFire Live! solution.

BlueFire MapAssist is our software solution that makes geotagging for survey grade PPK mapping simple and intuitive. This not only enables safe and autonomous mapping operations with our GCS software, but also optimises the data captured and helps reduce the processing time. This makes our UAVs suitable for large area mapping operations and enabling the lower total cost of ownership ("**TCO**") which is an imperative for these projects.

We have an established track record of designing products that have led to repeat business. Our innovation process allows us to evolve product features based on the evolving needs of our customers delivering a superior customer experience with advanced technology. Our UAVs are capable of being autonomously operated without special skills or training. This combination of performance, reliability and autonomy leads to a lower TCO for our customers.

We primarily cater to customers with applications for surveillance, mapping and surveying. We participate in competitive bidding processes, wherein we compete for contracts based on, among other things, pricing, product trials, reputation for quality, financing capabilities and track record. Once the request for proposal document is published by the prospective clients, we prepare a proposal in accordance with the requirements of the project, outlining our proposed solution and proposed cost and timelines. Our bid is further evaluated basis a pre-determined evaluation criteria involving technical as well as financial aspects and the past performance of our Company, basis which the bidders are awarded the contract. Further, although we do not enter into long-term contracts with our customers, we have developed long-standing relationships with certain of them. For example, our first UAV was sold in 2010 to one of the state police departments and we have since received repeat orders from them. Our customers include Indian defence customers and civil customers comprising certain of the central armed police forces, state police departments, disaster management forces, forest departments, private contractors in connection with smart cities, Pioneer Foundation Engineers Private Limited, and C.E. Info Systems Limited.

As of May 31, 2023, we had about 100 channel partners and three national distributors.

We are one of the top vendors globally for dual use drones (*Source: 1Lattice Report*). Set forth below is our revenue break up from civil and defence sectors.

Sector	**Revenue (₹ in million)**	**%**	**Revenue (₹ in million)**	**%**	**Revenue (₹ in million)**	**%**
	Fiscal 2021		**Fiscal 2022**		**Fiscal 2023**	
Civil	298.89	86.09%	317.73	19.93%	399.67	21.49%
Defence	48.29	13.91%	1,276.66	80.07%	1,286.20	69.15%

Our manufacturing facility, situated in Navi Mumbai, Maharashtra, has an area of approximately 21,000 sq. ft., and is equipped with advanced equipment, modern technology with automation systems and has the ability to manufacture a wide range of products. This facility is in compliance with ISO 9001:2015 requirements and is also equipped with a testing centre that houses an environmental stress screening ("**ESS**") chamber and a vibration table. While we produce composite structures of our UAV airframes and small component machining is done in-house, we source commercial-off-the-shelf ("**COTS**") and customized components required for manufacturing of UAVs such as carbon tubes, propellers and cameras from the domestic as well as the international market. Our product development centre, situated in Navi Mumbai, Maharashtra, helps us design and develop our UAVs, and with continuous customer insights, we are able to improve the performance of our UAVs.

Our Company was founded in 2007 by our Promoters, Ankit Mehta, Rahul Singh and Ashish Bhat, along with Vipul Joshi, our Chief Financial Officer who later joined our Company. Our Promoters designed their first quadrotor UAV in 2004 while studying at the IIT Bombay. While our Promoters are first generation entrepreneurs, our Company has raised funding from various investors including Infosys Limited, Qualcomm Asia Pacific Pte. Ltd., Celesta Capital II Mauritius, Celesta Capital II-B Mauritius, Florintree Enterprise LLP, Export Import Bank of India and Infina Finance Private Limited over the years, who have also provided us with valuable management and organizational inputs. Our Company was incubated by the Society for Innovation and Entrepreneurship ("**SINE**"), IIT Bombay and subsequently by CIIE Initiatives, IIM Ahmedabad.

Our growth in revenue and profitability can be credited to our robust product portfolio and technology differentiation, which we achieve through continuous product development, and streamlining of our operational activities. We have been able to achieve revenue from operations of ₹ 1,594.39 million in Fiscal 2022 and ₹ 1,860.07 million in Fiscal 2023, which is an increase of over 1.17 times of revenue achieved in Fiscal 2022. Set forth below are certain key financial information from our business.

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (A)	1,860.07	1,594.39	347.18
EBITDA	574.88	751.31	(92.51)
EBITDA Margin	30.91%	47.12%	(26.65)%
Profit/ (loss) for the year (B)	319.88	440.06	(146.26)
Profit after Tax Margin (C= B/ A)	17.20%	27.60%	(42.13)%

Notes:

1. EBITDA is calculated as restated profit / (loss) for the year, plus finance costs, total taxes, and depreciation and amortisation expense.

2. EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.

3. Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by Revenue from Operations.

For a detailed discussion on our financial performance, see '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' and '***Financial Information***' on pages 333 and 251, respectively.

MARKET OPPORTUNITIES AND REGULATORY IMPETUS

Drone technology is a sunrise sector, poised for exponential growth worldwide (*Source: 1Lattice Report*). Today, drones are used in a wide variety of defence and civil applications that are growing across industries (*Source: 1Lattice Report*). India finds itself to be at a critical juncture in the evolutionary timeline of drone technology and aims to position itself as a global drone hub by 2030 (*Source: 1Lattice Report*). The global drone industry is estimated to be US$ 21.1 billion in 2022 (*Source: 1Lattice Report*). The industry has witnessed a significant growth at a CAGR of 19% over 2018-2022 and is expected to grow even faster at a CAGR of 20% to be approximately US$ 51.4 billion in 2027 and further leap to approximately US$ 91.3 billion by 2030 (*Source: 1Lattice Report*). As of 2022, the potential market size for the Indian drone industry was approximately US$ 2.71 billion (*Source: 1Lattice Report*). In 2022, defence industry has the highest potential of US$ 1.28 billion out of the total drone market, followed by logistics at US$ 0.76 billion and enterprise at US$ 0.48 billion (*Source: 1Lattice Report*). The Indian drone market is projected to grow from US$ 43 million by Fiscal 2022 to US$ 812 million by Fiscal 2027, exhibiting a growth CAGR of 80% over Fiscals 2022-2027 (*Source: 1Lattice Report*).

Major drivers behind drone industry growth are industry favorable policies, increased demand for monitoring and surveying, cost-effective data collection, and introduction of new use cases such as utilities inspection and search and rescue operations (*Source: 1Lattice Report*). By implementing drone indigenization initiatives in use cases such as defence, commercial, homeland security, and counter UAV sectors, India has the remarkable opportunity to target approximately 1.8 lakh crore of total domestic manufacturing potential. (*Source: 1Lattice Report*). The rise of the drone manufacturing industry in India will result in significant trickle-down effects across the sub-component value chain, right across motors/ propulsion systems, payloads, communication modules, batteries/ power systems, propellers, assembly, navigation systems, airframes and software solutions (*Source: 1Lattice Report*).

The rapid increase in the production scale of Chinese drones led to a rise in unreliability and performance issues (*Source: 1Lattice Report*). The data confidentiality issues and low reliability of Chinese drones, coupled with the global anti-China sentiments, are paving an opportunity for the Indian drone industry to provide an alternative option in the market (*Source: 1Lattice Report*). Indian UAVs can compete in this market given the favorable ecosystem created by the government's industry-friendly policies, significant investments, and increasing demand for drones globally (*Source: 1Lattice Report*). Through meticulous public and private investments, the Indian drone sector is looking to position itself as a global competitor in exports for both civil and military drones (*Source: 1Lattice Report*).

Drone regulations vary from country to country, with no universally applicable international drone legislation yet (*Source: 1Lattice Report*). The major countries in drone operations are Australia, China and U.K (*Source: 1Lattice Report*). These countries possess advanced regulatory frameworks which have evolved over time (*Source: 1Lattice Report*). The regulatory bodies in India have taken a step towards a more liberalized approach after considering the potential of drones in boosting the economy (*Source: 1Lattice Report*). With the notification of Drone Rules 2021, the government has taken several measures such as reducing extensive paperwork involved, increasing the number of "free to fly" green zones, and simplifying granting of permission for every drone flight, among others (*Source: 1Lattice Report*). India has introduced laws and policies addressing both the demand side (through drone policy) and the supply side (through PLI and import bans) to provide impetus to the indigenous production of drones (*Source: 1Lattice Report*).

The Directorate General of Foreign Trade ("**DGFT**") under the Ministry of Commerce and Industry, by way of notification in February 2022, modified the Indian Trade Classification (Harmonised System) 2022 Schedule-1 (Import Policy) and banned the import of drones in completely-built-up ("**CBU**"), semi-knocked-down ("**SKD**") or completely-knocked-down ("**CKD**") form, with the following exceptions: (a) import of drones by government entities, educational institutions recognized by central or state government, government recognized R&D entities and drone manufacturers for R&D purpose are allowed in CBU, SKD or CKD form, subject to import authorisation issued by DGFT in consultation with concerned line ministries, and (b) import of drones for defence and security purposes are allowed in CBU, SKD or CKD form, subject to import authorisation issued by DGFT in consultation with concerned line industries *(Source: 1Lattice Report)*. However, the import of drone components is not banned and does not require any approval (*Source: 1Lattice Report*).

OUR STRENGTHS

Pioneer and the pre-eminent market leader in the Indian UAS industry, with first-mover advantage

We are the pioneer and the pre-eminent market leader in the Indian UAS market, with a market share of approximately 50% in Fiscal 2022 (*Source: 1Lattice Report*). Our Promoters built their first quadrotor drone in 2004. We started our operations in 2007 and with a first-mover advantage, we are among the first few companies in India to enter the UAV market and the first organisation to indigenously develop and manufacture VTOL UAVs in India in 2009 (*Source: 1Lattice Report*). In Fiscal 2012, we developed the NETRA UAVs in partnership with a Government of India entity. We are also the first company to participate in the demonstration of 5G enabled UAVs at Indian Mobile Congress in 2018 (*Source: 1Lattice Report*). We had the largest operational deployment of indigenous UAVs across India, with an ideaForge manufactured drone taking off every five minutes on average for surveillance and mapping as of March 31, 2023 (*Source: 1Lattice Report*). Our customers have completed over 350,000 flights using our UAVs as of March 31, 2023 (*Source: 1Lattice Report*). We ranked 7th globally in the dual-use category (civil and defence) drone manufacturers, as per the report published by Drone Industry Insights in December 2022 (*Source: 1Lattice Report*).

Our in-house capabilities to design, develop, engineer and manufacture have enabled us to develop better products basis evolving demands of our customers, thereby enhancing customer experience with our products. We believe our ability to build a fully integrated system and having control over the full stack differentiates us from other players in the market. We are driven by a self-propagating flywheel (as described in the diagram below), whereby as a result of our leadership position and our first mover advantage, we have been able to create a better user experience based on customers insights and with continuous technology improvements. This enables us to acquire new customers and add more use cases.

*Source: 1Lattice report

Following the sale of our first UAV in 2010 to one of the state police departments, we have since continued to focus on innovation and have developed advanced UAVs to cater to the growing market. We believe that on account of our first mover advantage and our experience of operationalising UAVs in customer organisations, we have a sustainable competitive advantage over new entrants. We have been working with certain of our customers for over a decade and have the experience of over 350,000 flights as of March 31, 2023 as per the 1Lattice Report, that our UAVs have already undertaken, which has allowed us to continuously learn and improve our technological capabilities.

Diversified product portfolio with a robust technology stack and track record of successful outcomes in critical use cases

We have a diversified product portfolio of UAVs built for multiple use cases and have one of the industry's leading product portfolios targeted at civil and defence applications (dual use) (*Source: 1Lattice Report*). We have a broad range of products with feature-based differentiation such as weight class (approximately 2-7 kg), endurance class (25-120 minutes flying time), take-off altitude range (up to 6,000 meters), communication range (approximately 2-15 km), payload types, etc. Each of our UAVs are designed with differentiations for addressing specific customer needs. Our UAVs are deployed in multiple use cases across defence and civil sectors. Further, our UAVs can be modified to address construction, infrastructure, retail, agriculture and delivery applications. We believe that our diversified product portfolio, and our ability to customise our products for specific usage as per our customers' specifications have helped us grow and establish a track record.

Considering the critical nature of the use cases of our products, our customers have high and exacting standards and consequently, the quality, durability and reliability of our UAVs become paramount. As part of our manufacturing process, our UAVs undergo a rigorous flying test, including a pre-flight check, hover check and range test, and also undergo extreme environmental lab testing before entering production. Some of our UAVs have flown more than 4,500 flights as against the minimum requirement specified in RFPs for 500 flights under warranty (*Source: 1Lattice Report*). Our UAVs have also been tested in extreme conditions which are prevalent across India and high altitudes areas, deserts and glaciers. Our SWITCH UAVs have been designed to be able to handle all terrains and extreme temperature conditions and have been purchased by one of our customers for surveillance in high altitude regions. We believe that our quality, durability and ability to service tough and different terrains have made our UAVs as the preferred choice for many of our customers in defence and security sectors. Our UAVs were deployed for site monitoring in Nepal to help in the search and rescue operations during the earthquake in 2015 (*Source: 1Lattice Report*). In 2021, our NETRA series UAVs were used in search and rescue efforts during the floods in Uttarakhand (*Source: 1Lattice Report*). We also provided one of our NETRA series UAVs to an energy conglomerate for aerial surveying of land, surveillance of assets and volumetric estimations. In the past, our Ninja UAVs were also used to curb theft and pilferage cases to boost the surveillance operations by a Government of India enterprise (*Source: 1Lattice Report*).

We are one of the few vendors globally to have a full stack UAV solution, along with a ground control software, firmware and solutions as well as robust after sales support (*Source: 1Lattice Report*). Our support care plan, ideaForge Care, is one of the first-of-its-kind subscription based support package in the Indian UAV industry

(*Source: 1Lattice Report*). Our recently launched product ideaForge Care provides the customers with various support options that they can subscribe to for the maintenance of UAVs based on their requirement. Our UAVs are equipped with AI based image intelligence, which helps in '*people detection*' and '*target tracking*'. Beyond the UAVs and GCS software, we have proprietary solutions such as BlueFire Live!, which enables encrypted live streaming of the UAV video feed and also allows payload control from a remote command location. For details on each of our UAVs, please see '- ***Our Product Portfolio and Sub-Components***' on page 201.

Strong relationships with a diverse customer base

The growth we have achieved with our current products stems from our ability to invent and deliver advanced customer centric solutions (i.e., hardware, software and solutions), to help them operate more effectively and efficiently. As of May 31, 2023, we served a diverse base of 265 customers. We cater to domestic and international customers across defence and civil sectors, primarily for surveillance, mapping and surveying. While we do not enter into long-term contracts with our customers, we have developed long-standing relationships with them. Our continuous focus on product quality and reliability over the years has led to customer stickiness. For example, we sold our first UAV to one of the state police departments in 2010 and since then we have received repeat orders from them. About 35% of our total customers are repeat customers who have placed at least two orders with our Company. Certain of our customers have steadily increased the volume of business they undertake with us over time.

Set forth below is a snapshot of our length of relationship with our customers and their revenue contribution.

Particulars	For the period from April 1, 2020 until March 31, 2023	For the period from April 1, 2018 until March 31, 2023
Number of repeat customers	71	92
% of total revenue from operations generated from these customers	94.25%	97.66%

Our customers include Indian defence forces and civil customers comprising certain of the central armed police forces, state police departments, disaster management forces, forest departments, private contractors in connection with smart cities, Pioneer Foundation Engineers Private Limited and C.E. Info Systems Limited.

We believe that the growth in our customer base is led primarily by stringent quality checks, technical specifications and our ability to supply in a timely manner and resultant reputation. Our sales and business development team works closely with our customers and provides our customers with a wide range of support plans suited to their needs, which includes 24x7 support and replacement UAV options. We constantly strive to innovate and offer value-added and technologically advanced products and solutions to our customers. By doing so, we believe that we are able to deepen our customer relationships to become their preferred suppliers.

Significant product development capabilities powering our software and solutions and product differentiators

We are a vertically integrated company equipped with in-house product development centre, which allows us to design, develop, engineer and manufacture our UAVs. Our focus on product development has been instrumental in the growth of our business and in improving our ability to customize solutions for our customers as well as in reducing our cost of products while maintaining our margins. The table below shows the expenses incurred on our product under development as a percentage of our total revenue from operations for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses incurred on our product under development (₹ in million)	206.74	113.97	89.21
As % of our total revenue from operations	11.11	7.15	25.70

Our product development centre is located in Navi Mumbai, Maharashtra and consists of 116 employees as on May 31, 2023, which includes Ezhilan Nanmaran, Krishan Kumar, Dhirendra Sarup and Vishal Nagpal. Our product development team focuses on the development of new products, solutions, and understanding the expectations of our customers on to-be manufactured products, whilst simultaneously focusing on cost competitiveness and supply chain availability. We are the first company to indigenously develop and manufacture VTOL UAVs in India in 2009 (*Source: 1Lattice Report*). Our product development capabilities led to the development of our autopilot sub-system with advanced fail-safe features that ensure high level of operational safety of our UAVs. We are one of the few OEMs globally to have its own proprietary autopilot sub-system and ground control software (*Source: 1Lattice Report*). Additionally, we have also developed the BlueFire Touch, ground control station software, which enables safe and autonomous surveillance/ mapping operations, and the 'BlueFire Live!' platform, which enables encrypted live streaming of the UAV video feed and allows for payload control over internet. Our UAVs are capable of AI features such as people detection and target tracking which may be used for applications such as surveillance, tree counting, powerline detection and mapping. Our mapping solutions are aimed at reducing the TCO for our customers, by among others, optimizing the time it takes to generate the desired mapping outputs as a solution to the end customer.

Our ability to drive technology and product innovation also led us to develop a custom in-house battery management system which we believe ensures high cycle life of our batteries and are optimised to give customers high endurance for each flight. As on June 17, 2023, we have 25 granted patents, out of which 10 patents are registered in India and 15 patents are registered in other jurisdictions. Some of the capabilities such as take-off area suitability check, coverage area check and target location coverage check for off-site mission planning prior to deployment are unique in the industry (*Source: 1Lattice Report*) and we have filed patent applications for these capabilities. These capabilities help us achieve our 'mission first' objective and align with our focus on delivering customer outcomes.

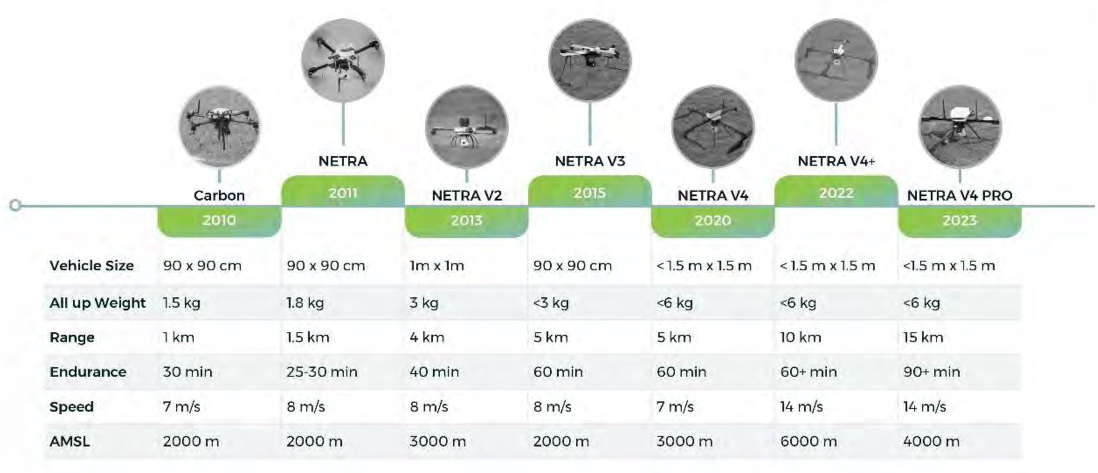
In-house design to delivery capabilities

We design, develop, engineer and manufacture our UAVs in-house with a focus on performance, reliability and autonomy. Our own in-house product development centre allows us to design, develop and engineer our UAVs in line with the needs of our customers, which includes the software stack required for our UAVs. We undertake our manufacturing operations at our manufacturing facility, situated in Navi Mumbai, Maharashtra which has an area of approximately 21,000 sq. ft., and is equipped with advanced equipment, modern technology and automation systems to manufacture a wide range of products.

With our integrated operations i.e., from design and development to manufacturing, assembly and testing and to providing software solutions, we strive to be able to meet all our customer needs under a single roof as well as control and maintain the quality of our UAVs thereby maintaining the overall reliability and durability of our UAVs. Our manufacturing facility is in compliance with ISO 9001:2015 requirements and has a testing centre equipped with an ESS chamber, through which we screen our products to rule out any non-conformities and a vibration table. Our UAVs are subject to stringent quality checks by our quality assurance team and in-depth pre-dispatch inspection by us for large army projects, which ensures compliance with our quality management systems and statutory and regulatory compliances. Our products are easily portable as the packaging is designed in such a way that all the components can be carried as a backpack. Typically, our products are shipped directly to our customers. We predominantly sell our products on a cost, insurance and freight basis. In certain cases, our customers may directly pick the products at our own facilities. The mode of transportation available for a particular shipment includes road, rail or air to deliver our products to our customers based on mutually agreed terms and conditions and on the urgency, size and value of the order. We engage third-party logistics services providers to provide support on our transportation requirements. The table below shows the expenses incurred on improving our manufacturing capabilities for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Improving manufacturing capabilities (₹ in million)	13.58	9.37	2.10

Our in-house design to delivery capabilities led us to develop various NETRA series UAVs, basis the evolving needs of our customers and technological advancements. Set forth below is a diagram illustrating evolution of our NETRA series of UAVs, which demonstrates our ability to continuously improve our UAVs:



Strong management capabilities with a demonstrated ability to deliver robust financial performance

We are led by a qualified and experienced management team, who are supported by a capable and motivated team of managers and other employees. Our Promoters have knowledge and understanding of the drone industry in India. Our Promoters, Ankit Mehta, Rahul Singh, Ashish Bhat, our Chief Financial Officer, Vipul Joshi and our Vice President – Sales and Business Development, Vishal Saxena, are involved in the strategic planning, operations, design and production development, and have a cumulative work experience of more than 85 years. We believe that the experience and leadership of our core team has played a key factor in our growth and development.

Apart from our Promoters, our Board comprises, (a) Srikanth Velamakanni, Chairman and Independent Director, who is associated with Fractal Analytics Private Limited, (b) Ganapathy Subramaniam, Non-Executive Nominee Director, who was previously associated with Texas Instruments (India) Private Limited, (c) Mathew Cyriac, Non-Executive Nominee Director, who was previously associated with Blackstone Advisors India Private Limited, DLJ Merchant Banking Partners, Bank of America and Credit Suisse First Boston Corporation, (d) Sutapa Banerjee, Independent Director, who was previously associated with Royal Bank of Scotland N.V., ABN AMRO Bank and Ambit Capital Private Limited, and (e) Vikas Balia, Independent Director, who is a designated senior advocate in the Rajasthan High Court, Jodhpur and an associate member of the Institute of Chartered Accountants of India. For further information, see '***Our Management – Brief profiles of our Directors***' on page 225. We believe that our qualified and experienced team enables us to identify new avenues of growth and helps us to implement our business strategies in an efficient manner.

We have organically grown our operations and have demonstrated an increase in our revenues and profitability. Set forth below are certain key financial information from our business.

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	1,860.07	1,594.39	347.18
EBITDA	574.88	751.31	(92.51)
Profit/ (loss) for the year	319.88	440.06	(146.26)
Return on Capital Employed (%)	12.51%	49.63%	(15.18)%
Return on Net Worth (%)	9.85%	26.95%	(24.48)%
CAGR	131.47%		

OUR STRATEGIES

Continue to invest in product innovation, engineering and design

We believe that investment in product innovation, engineering and design is essential to our business, growth opportunities for onboarding new customers and retention of existing customers by aligning our product and service offerings with their requirements. The drone industry is at a nascent stage and therefore the requirements are continuously evolving (*Source: 1Lattice Report*). As product and technology innovation is at the core of our growth, we emphasize on constant innovation and enhancing our product and technology stack. Continuous product development by way of product and market research is integral for growth in the UAV industry and consequentially, many drone manufacturers are laying emphasis on product development and testing (*Source: 1Lattice Report*). We constantly endeavour to innovate new products and enterprise specific solutions for our customers. For instance, we have introduced UAVs such as RYNO and Q6 to provide mapping and surveying solutions, and Q4i, NETRA V4+, NETRA V4 PRO and SWITCH, to provide surveillance and disaster relief solutions to our customers for different operating environments and applications. We have also designed a portable packaging for our products so that all the components can be carried as a backpack.

We believe that competitive advantage is transient and hence we continue to innovate in technology, business models and new offerings. In this regard, our endeavour is to, among others, leverage processes and best practices that may be prevalent in other sectors and industries as well. We are one of the few players to adopt VARs and distributor channels to reach customers across India and globally (*Source: 1Lattice Report*). Further, similar to other industries that use adaptive microlearning to train their own workforce, we also have a mobile based microlearning platform to train our customers on our UAV systems. We have also introduced ideaForge Care 360 that enables our customers to better operate and adopt our products and focus on their business outcomes. We will continue to focus on innovation, in addition to product and engineering, in order to upgrade our products and technology in line with the emerging needs of the customers.

As on May 31, 2023, we had 116 employees in the product development team, which is approximately 40.27% of our overall employee strength, and we intend to add more experienced employees in the product development team. The table below shows the expenses incurred on our product under development as a percentage of our total revenue from operations for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses incurred on our product under development (₹ in million)	206.74	113.97	89.21
As % of our total revenue from operations	11.11%	7.15%	25.70%

We will continue to invest substantially in product innovation, engineering, and design to expand our offerings and increase our market presence.

Expanding into international markets

We currently primarily cater to the requirements of the Indian market. India's large market with diverse and challenging geographical terrains gives us an opportunity to solve complex problems at scale. The global drone industry is estimated to be US$ 21.1 billion market in 2022 (*Source: 1Lattice Report*). The industry has witnessed a significant growth at a CAGR of 19% over 2018-2022 and is expected to grow even faster at a CAGR of 20% to be approximately US$ 51.4 billion in 2027 and further leap to approximately US$ 91.3 billion by 2030 (*Source: 1Lattice Report*).

The table below shows our revenue from domestic sales for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from domestic sales (₹ in million)	1,669.40	1,588.32	347.18

Through our extensive experience, established product portfolio and proven track record, we believe we are strongly positioned for providing products and solutions to international customers. We are currently present in Oman and USA and we are evaluating our expansion in Bangladesh, Vietnam, and Nepal. We also believe that we will be able to further expand our presence in the United States, according to the 1Lattice Report, which is expected to be the biggest market for drones and estimated to be US$ 10.2 billion with approximately 49% market share in 2022, and predicted to grow to US$ 20.2 billion in the year 2027. As on May 31, 2023, we have onboarded around 100 channel partners and three national distributors. Some of these channel partners help us expand our presence in the international market. We plan to leverage our knowledge of the industry, and technology innovation capabilities, in the international markets as well. In order to increase our brand value, we participate in various international conferences and exhibitions. We showcased our UAVs at the Commercial UAV Expo at Las Vegas in 2022. In order to expand our global presence, recently, our Company introduced an Early Adopter Program ("**EAP**") at the XPONENTIAL, 2023 event held in USA, which provides our potential customers situated in USA and Canada with a first-hand experience of our UAVs, without any initial investment for a certain period. In March 2022, our SWITCH UAV, according to the 1Lattice Report, won the largest mini-VTOL UAV contract against global competitors from Russia, Israel, France, Ukraine and other countries. The current geo-political environment, with economies decoupling with China, especially for anything related with data capture and analysis, coupled with our Indian technological capabilities in the rugged environment of India, is a major contributing factor for Indian companies to expand globally in both civil and defence drone opportunities (*Source: 1Lattice Report*).

Expand our product portfolio and cater to new end-use applications and industries

We will continue to expand our product portfolio and plan to provide differentiated offerings to our customers. UAVs are increasingly finding potential to be employed in multiple applications across infrastructure, retail, agriculture, logistics, and many other sectors. In the past, our Ninja UAVs were also used to curb theft and pilferage cases to boost the surveillance operations by a Government of India enterprise (*Source: 1Lattice Report*). We also provided NETRA UAVs to an energy conglomerate for aerial surveying of land, surveillance of assets, volumetric estimations. Drones are being explored extensively across various industries, including construction, real estate, e-commerce, agriculture, utilities and energy, financial services, and media and entertainment (*Source: 1Lattice Report*). We intend to leverage our in-house technology and our design and development capabilities to innovate and introduce new UAVs to capture a higher wallet share from new and existing customers. We seek to leverage our extensive experience to strengthen our industry position, by developing new products to capitalise on emerging trends. We are continuously in the process of identifying new end-use cases which have a significant growth potential and the economic viability to introduce new products. Currently, we primarily cater to surveillance and mapping applications, and we plan to expand to inspection and delivery applications in the future.

We intend to further develop our UAVs with a focus to cater to asset inspection missions, such as inspection of towers and other vertical assets. Further, our UAVs have the ability to carry small payloads which can be extended to support last mile delivery applications. We also intend to develop UAVs with sufficient payload capacity to cater to the middle mile logistics industry. According to the 1Lattice Report, the drone logistics market is currently valued at US$ 0.3 billion in 2022 and is projected to reach US$ 33 billion by 2030. The logistics drone market is expected to have the largest share of the overall drone market in 2030, followed by enterprise and defence (*Source: 1Lattice Report*). Our initial target segments may include delivery of the frozen foods, perishables and medicines, which require faster and on-time delivery in places where the ground infrastructure is not fully developed or challenging. We also intend to benefit from the ban imposed by the DGFT on import of CBU, SKD and CKD form drones, except in certain cases. For details, please see '- ***Market Opportunities and Regulatory Impetus***' on page 193. We also plan to expand and offer tactical UAVs and middle mile logistics drones with vertical take-off and landing capabilities. We believe that we have the technological capabilities to successfully enter into this market and add middle mile delivery as a revenue segment. We believe that expanding our products and solutions portfolio by designing, developing and/or manufacturing new products will enable us to establish relationships with new customers and cater to new end-use industries.

Focus on indigenisation

We are continuously evaluating the potential of domestic vendors for the supply of components in order to reduce our dependency on import of components from global vendors and suppliers. We partially import certain of our components such as carbon fibre tubes, landing gear, propellors, motors and antennas, required for manufacturing UAVs. The table below indicates the expenses incurred on our imports in the Fiscals 2023, 2022 and 2021:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses on imports (₹ in million)	477.11	264.48	152.93

In line with the market growth potential of UAVs, with increased manufacturing of our UAVs, our expenditure on components required for manufacturing of UAVs will also increase. With the production linked incentive scheme ("**PLI Scheme**") launched in 2021, the Government of India will offer incentives for drone makers, to encourage and boost manufacturers to develop their products in India and export them to the world and achieve the Government's aim to make India 'The global drone hub of the world' (*Source: 1Lattice Report*). We were also shortlisted as one of the beneficiaries of the PLI Scheme and received an incentive of ₹ 174.20 million from the Ministry of Civil Aviation, under the PLI Scheme. With the recent initiatives of the Government of India i.e., "*Atmanirbhar Bharat Abhiyan*", wherein focus has been on indigenisation, we are poised to take full benefit of such schemes and reduce our dependency on imports thereby reducing our import spend. We also have an arrangement with a start-up company for development of indigenous UAV propulsion systems.

Expand business services and software revenue through ‘as a Service’ offerings

We believe that we have the hardware and software capabilities to expand our business services revenue by providing ‘drone as a service’ (“**DraaS**”) offerings. DraaS is a ready-to-fly network of drones which allows users to schedule or request on-demand flights, without the hassle of owning hardware, software or trained manpower (*Source: 1Lattice Report*). The customers can avail DraaS service on ‘pay per use’, which will help reduce their initial investment and increase adoption rate (*Source: 1Lattice Report*). For example, a Bengaluru-based DraaS service provider currently offers ‘pay per use’ drone services for agriculture, survey/mapping, surveillance, inspection of manufacturing units, the oil and natural gas industry, solar panels, windmills, and real-estate construction projects (*Source: 1Lattice Report*). Similarly, by deploying six lakh drones in six lakh villages in India by 2025, a Chennai-based DraaS business hopes to empower Indian farmers and the agriculture sector (*Source: 1Lattice Report*). We are in the process of developing a DraaS model which will allow our drones to be deployed in several locations and will be ready to fly and execute missions at the click of a button. We are presently experimenting DraaS model with one of our customers to create viable technology and business outcomes. Our BlueFire MapAssist and BlueFire Live! solutions are offered as a SaaS model where customers can subscribe to the package as per their requirements. Similarly, we will continue to look for opportunities to offer our software and solutions as SaaS offerings in the future.

We also provide maintenance services to our customers, by entering into annual maintenance contracts with them. Our product ideaForge Care provides the customers with various support options that they can subscribe to for the UAVs. With the maintenance packages that we provide to our customers, such as ideaForge Care packages, we believe that we have the capabilities to enhance our sale of maintenance services by offering services to our existing and future customers.

Pursue strategic investment and acquisition opportunities

We intend to selectively pursue strategic investment and acquisition opportunities that complement our growth strategy or strengthen or establish our presence in our targeted domestic and overseas markets. India has the remarkable opportunity to target approximately 1.8 lakh crore of total domestic manufacturing potential through implementation of drone indigenization initiatives in use cases such as defence, commercial, homeland security and counter UAV sectors (*Source: 1Lattice Report*). As the UAV industry presents significant growth opportunities, we intend to utilize our capabilities and expand our business and operations by pursuing investment opportunities in future. We may also form strategic alliances with global and domestic players in various segments of the drone industry that bring synergies to our business.

OUR PRODUCT PORTFOLIO AND SUB-COMPONENTS

Over the years, we have developed a wide range of products with varied applications and uses, to cater to the evolving requirement of our customers such as NINJA, RYNO, Q4i, Q6, NETRA V4+, SWITCH and NETRA V4 PRO.

Product name	Specific features	Applications / end-use industries	Range	Flight time	Payload
Hardware					
NINJA 	NINJA UAV is our lightest UAV, operable during day and night with swappable payloads.	Security and surveillance	Up to 2 kms	20-25 minutes at MSL (mean sea level)	High Definition (“**HD**”) daylight payload with 5x optical zoom / thermal payload / mapping payload
RYNO 	RYNO UAV is our micro category survey-grade UAV and is equipped with an advanced mapping payload and a state-of-the-art post processed kinematic PPK module.	Mapping, land survey, mining area planning, construction and real estate	Up to 4 kms	>40 minutes at MSL (mean sea level)	Mapping payload
Q4i	Q4i is our small category VTOL UAV and is one of	Security and surveillance, traffic	Up to 4 kms	≥ 40 minutes at MSL	HD daylight payload with 10x

Product name	Specific features	Applications / end-use industries	Range	Flight time	Payload
	our most economical UAVs built with military grade standards.	management, crowd management and disaster relief		(mean sea level)	optical zoom / thermal payload / mapping payload
Q6 	Q6 is our small category UAV. Its quadcopter design and high area coverage enables it to complete large-scale mapping projects quicker than our other UAVs.	Mapping, land survey, mining area planning, construction and real estate	Up to 10 kms	≥ 60 minutes at MSL (mean sea level)	HD daylight payload with 10x optical zoom / thermal payload (black/white hot) / Photogrammetry payload
NETRA V4+ 	NETRA V4+ UAV is an intelligent and portable VTOL UAV. Its modular and rugged design is suitable for a wide range of mission-critical applications.	Security and surveillance, border security, anti-terrorism, counter insurgency, crime control and drone as a first responder	Up to 10 kms	> 60 minutes at MSL (mean sea level)	HD daylight payload with 10x optical zoom / thermal payload/ mapping payload
SWITCH 	SWITCH UAV is a fixed wing and VTOL hybrid. SWITCH UAV features advanced flight time, higher safety and simple operation with additional fail-safe redundancies.	Security and surveillance, border security, anti-terrorism, counter insurgency and wildfire management	Up to 15 kms	≥120 minutes at MSL (mean sea level) ≥90 minutes at 4500m take-off altitude above MSL (mean sea level)	Daylight surveillance payload with 25x optical zoom / thermal payload
NETRA V4 PRO 	NETRA V4 PRO is built for use in a wide range of mission-critical applications. It is designed with quick snap fit mechanism without the dependency on tools and built for repeated uses.	Defence, public safety, emergency response, mapping	15 kms	≥90 minutes at MSL (mean sea level) take-off	HD daylight payload with 20x optical zoom/ thermal payload/ mapping payload
Software and embedded sub-system					
BlueFire Touch	BlueFire Touch, our GCS software, is built to plan and command both mapping and surveillance missions with the ability to pre-plan missions based on operational area and target locations via waypoint based navigation.	Mapping and surveillance	-	-	-
Autopilot	Enables remote control and autonomous completion of flights with pre-flight checks, intelligent failsafe features, such as return to home on low battery, high wind, communication loss and battery imbalance. It		-	-	-

Product name	Specific features	Applications / end-use industries	Range	Flight time	Payload
	also has smart altitude management and GPS error handling features.				
Solutions					
BlueFire MapAssist	Software solution for simple and intuitive geo-tagging with flexibility for both PPK mapping as well as non-PPK mapping with optimized data capture and processing.	Mapping and surveying	-	-	-
BlueFire Live	Real time live streaming of the drone video feed and payload control. Integrates easily with CCTVs and command and control centres, operates in low bandwidth and offers easy remote payload control.	Security and surveillance, border management, crowd monitoring, campus security, disaster management, remote monitoring, smart cities, mapping and ISR operation	-	-	-
Surveillance Pro	Includes advanced image intelligence features such as target tracking and moving target indicator. It has support for RVT with full UAV control and ADR communication modes built-in to give maximum flexibility even for specialised missions. RVT enables a second operator on ground to receive the video stream, command the UAV and control the payload to ensure on-ground forces are working on the same set of information. ADR enables a full duplex between GCS software, ADR UAV and payload/ data capture UAV. It also enables non-line of sight for ISR missions.	Security and surveillance, border management, crowd monitoring, campus security, disaster management, remote monitoring and smart cities	-	-	-
GIS Pro	High resolution mapping with PPK and optimized workflows.	Survey grade mapping	-	-	-

Planned Products

We intend to introduce newer versions of our UAVs such as NETRA, SWITCH, and Q6, wherein our focus will be on improving performance, reliability and autonomy of the UAVs. We intend to improve the performance by providing increased flight times which can be achieved by better airframe designs, better battery technology and overall better integration of the different subsystems. Further, we shall focus on reliability by improving the life of the UAV and the quality to reduce mission failures. We intend to achieve autonomy through software capabilities wherein we focus on flight automation, by improving the autonomous flying capabilities such as obstacle avoidance, improving landing accuracy, GPS denied navigation, etc. and workflow automation by ensuring the customer outcomes are achieved through efficient automation of entire data workflow. For example, in case of a mapping mission workflow automation, the focus shall be on efficient capture of data, seamless integration to processing software for on premise or cloud processing with minimal manual intervention.

We intend to enable development of third-party payloads for our drones and enhance integration, which will help us to come up with newer and unique payloads with latest capabilities and sensors. We also plan to have an integrated support portal that will be a web-based cloud platform which will provide real time support information and focus on improving the overall support experience for our customers.

Our focus shall also be on developing tactical UAVs which are larger platforms and offering longer flight times and larger payload carrying capabilities. We also intend to focus on developing middle mile logistics wherein we intend to build a platform with a payload carrying capacity of more than 100 kgs, capable of traveling for more than 100 kms.

OUR OPERATIONS

Our Manufacturing Facility

We manufacture all our products in-house from our manufacturing facility located at Navi Mumbai, Maharashtra in India. Our manufacturing facility spans approximately 21,000 sq. ft. of licensed premises and has three floors, which includes stores area, testing areas, production lines and seating area for managerial staff.

Our manufacturing facility is accredited with quality management system and is in compliance with ISO 9001:2015 requirements for design and manufacturing of unmanned aerial vehicles. Further, our manufacturing facility is equipped with advanced equipment, modern technology and semi-automated systems, and has the ability to manufacture a wide range of products, which provides us with the necessary flexibility to cater to the changing demands in the market. We have recently restructured the layout of our shop floor and carved out an additional production area of approximately 6,000 sq ft. at our manufacturing facility and have included automations and lean concepts for optimal material and process flows to cut down on wastage and improve the efficiency of the overall manufacturing facility.

Vibration test setup

Assembly floor

Environmental stress test chamber

Compactor Racks

Our manufacturing facility is equipped with a wide variety of testing and manufacturing machines. We have an ESS chamber through which we screen our products to rule out any non-conformities and helps in reducing the field failures related to reliability. The products are also tested on vibration tables, functional jigs and a variety of custom jigs to ensure that only the best product gets shipped to the customers. Our manufacturing facility is also equipped with vision inspection systems, printed circuit board assembly ("**PCBA**") testers, auto screwing guns, semi automatic crimping machine, coupled with three computerised numerical control machines to help with critical-to-quality (“**CTQ**”) aspects of production.

High end vision measurement system

Automatic crimping machine

The following table sets forth the installed production capacity and the rate of capacity utilization of our manufacturing facility.

Products	Installed capacity per day as of March 31, 2023*	Capacity Utilization as on March 31, 2023*	Capacity Utilization as on March 31, 2022*	Capacity Utilization as on March 31, 2021*
Quadcopter UAV	5	95%	93%	88%
Switch UAV	4	82%	75%	0%
Payload	15	95%	96%	79%
Battery	20	87%	84%	83%
Communication Box	15	90%	90%	88%

**As certified by A. D. Joshi Chartered Engineers & Valuers LLP, Chartered Engineer vide certificate dated June 12, 2023.*
Note: Each year we have different capacity and capacity utilisation is not comparable year on year basis.

Product development centre

We have our own in-house product development centre, which allows us to design, develop, engineer and manufacture our UAVs in-house with a focus on performance, reliability and autonomy. Our product development centre has 116 employees, as of May 31, 2023.

Wire harness and switch sub assembly lines

Manufacturing Process

Our manufacturing process is based on optimized assembly setup designed in-line with lean principles to suit the flexibility of demand for various product lines and ensure low mix mid volume product management. This enables us to deploy our resources in the most optimum manner to suit the customer’s preferences and evolving requirements. Our operations planning strategy is based on a mixed model of “Make-To-Order” (“**MTO**”) and “Assemble-To-Order” (“**ATO**”) concepts. The large project orders typically follow the MTO route, whereas the run-rate business and small projects follow the ATO route.

We follow ERP based material planning processes where the outcome of the ERP enables our material planning team to prepare purchase orders basis the specifications decided, to obtain the relevant components from our suppliers or vendors. Our production planning team subsequently provides the raw materials to the production team for assembly of the relevant components in line to process it into a semi-finished or furnished form. Our quality assurance team conducts detailed material inspections and subject the products to various tests, such as ESS or vibration, following which the products are sent for packaging. The final product undergoes a final quality check and subsequently, the dispatch team raises the invoice, and the finished product is shipped to the customer.

Raw Materials/ Components

The primary raw materials required for manufacturing of our products are composites, plastics, and electronic components, which we procure domestically or internationally. We also require other raw materials, such as metal and machined parts, most of which are sourced from the domestic suppliers based on our requirements on an on-going basis. We have long-standing relationships with certain suppliers. We procure all of our raw materials either by entering into short-term contracts or by way of purchase orders on an ongoing basis and therefore, are required to pay the market price of such products. We are able to leverage our wide and diverse network of suppliers to ensure that our supply chain remains unaffected.

The table below shows our cost of materials consumed as a percentage of our total revenue from operations and our total expenses, for Fiscals 2023, 2022 and 2021, respectively :

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cost of material consumed (₹ in million)	957.38	513.90	220.99
As % of our total revenue from operations	51.47%	32.23%	63.65%
As % of our total expenses	61.53%	46.18%	43.47%

Customers

As of May 31, 2023, we have served a diverse base of 265 customers. Our customers include Indian defence customers and civil customers comprising certain of the central armed police forces, state police departments, disaster management forces, forest departments, private contractors in connection with smart cities, Pioneer Foundation Engineers Private Limited, and C.E. Info Systems Limited.

Quality Control and customer support

We are a quality-focused company and are committed to maintaining stringent quality standards at all steps of the manufacturing cycle of our products, from procurement of the raw materials to supply of our products. Given the nature of our products, our customers have high and exacting standards for product quality as well as delivery schedules. Additionally, prior to placing the orders, there is a detailed review process that is undertaken by certain customers. As a result, we are required to incur expenses to maintain our quality assurance systems such as forming a separate team of engineers responsible for quality and assurance both in the manufacturing facilities and machineries as well as in the manufacturing processes. Our quality assurance team, which comprised of 19 employees as on May 31, 2023, ensures compliance with our quality management systems and statutory and regulatory compliances. This team conducts pre-dispatch inspection of our products. In addition, our manufacturing facility has received ISO 9001:2015 certification for design and manufacturing of UAVs. Our facility is equipped with high-quality testing equipment such as an ESS chamber to mimic certain distinct environments prevailing in India, a vibration table to ensure structural and assembly strength and integrity, a vision based automatic measuring system to inspect incoming raw and semi-finished parts and PCBA automatic testing facility.

We believe in providing logistic support to our customers and have established one of the best support networks in India for UAVs, according to the 1Lattice Report. In addition to warranty services provided to customers with our UAVs, we also provide after sales maintenance services. Our support care plan, ideaForge Care, is one of the first-of-its-kind subscription based support package in the Indian UAV industry (*Source: 1Lattice Report*). It provides customers with a wide range of support plans suited to their needs which includes 24X7 support and replacement drone options. Our service centres located in Leh (Jammu and Kashmir) and Dibrugarh (Assam), cater to the annual maintenance and repair requirements of drones deployed in field, thereby reducing overall turnaround time for repairs.

Packaging and transportation

Our products are packaged in a modular design having soft bags that have foam inserts to hold and store the drone and its components, without indenting any surfaces. The products are further securely packaged into hardcases to ensure robust protection during shipment as well as short distance transportation. Our products are easily portable as the packaging is designed in such a way that all the components can be carried as a backpack.

Q6 UAV packaging

RYNO UAV packaging

SWITCH UAV backpack

Typically, our products are shipped directly to our customers. We predominantly sell our products on a cost, insurance and freight basis. In certain cases, our customers may directly pick the products at our own facilities. The mode of transportation available for a particular shipment includes road, rail or air to deliver our products to our customers based on mutually agreed terms and conditions and on the urgency, size and value of the order. We engage third-party logistics services providers to provide support on our transportation requirements.

Sales and Marketing

As of May 31, 2023, our sales and business development team consists of 25 personnel who are responsible for sales of our products, whereas our marketing team consists of 10 personnel, responsible for marketing our products for sale. Our distribution network is aided by our in-house sales and business development team and a marketing team which liaise with them on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. Our sales and business development team and marketing teams are technically equipped and focus on developing relationships with our key customers to understand and identify their specific requirements.

We focus on digital as well as organic marketing initiatives for marketing our products. We announce the launch of our products on our website and proliferate it through social media campaigns as well as third – party industry media for better reach. We also participate in defence exhibitions and conferences and undertake seminars to showcase our products and services as part of our promotional activities. In 2022, we showcased our products at the UAV Expo held in Las Vegas, USA. Recently, in 2023, we launched our NETRA V4 PRO UAV at the XPONENTIAL, 2023 event held in Denver, Colorado, USA. We also market our products through our distributors and have entered into distribution agreements and reseller agreements with certain entities, to sell as well as market our products, in the domestic as well as global market.

The table below shows our marketing and advertising expenses as a percentage of our total expenses for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Marketing and advertising expenses (₹ in million)	15.35	1.85	1.19
As % of our total expenses	0.99%	0.17%	0.23%

Information Technology

Investment in IT infrastructure is essential to improve our operational efficiencies, improve scale and enhance productivity. We have implemented an ERP solution, which helps standardize our processes and planning and management of our sourcing and manufacturing operations and to assist in the smooth functioning of finance, sales, stores, purchase, inventory and payroll functions. We have implemented an IT policy to maintain the confidentiality, integrity and availability of information and supporting information systems. We continue to actively revise our IT policy and upgrade our technology infrastructure and applications to keep pace with the changing and dynamic environment. We will continue to focus on increasing operational efficiency through technology initiatives.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as 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. Our principal types of insurance coverage include coverage for our stocks that includes all normal risks associated with our business, including fire, burglary and terrorism. We typically maintain standard fire and burglary insurance policies for our stocks, and also obtain goods carrying vehicle package policies and marine insurance policies for transit of goods. We have also obtained a group medical policy and insurance policy in relation to accidents for our employees. These insurance policies are generally valid for a year and are renewed annually. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations. See '***Risk Factors – 33. Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability***.' on page 45.

Intellectual Property

As on June 17, 2023, we have 25 granted patents, 33 registered trademarks and 7 copyrights.] For further details, see '***Government and Other Approvals – Intellectual Property***' on page 377.

Environmental, Health and Safety Management

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working under our management, pursuant to which we have implemented health and safety standards aimed at ensuring a safe working environment. See '***Risk Factors – 16. We are subject to various laws and regulations, including environmental and health and safety laws and regulations. If we fail to obtain, maintain or renew the licenses, permits and approvals required to operate our business, or fail to comply with applicable laws, our business, results of operations and financial condition may be adversely affected.***' on page 37.

Employees and Human Resources

We consider our employees and personnel one of our most important assets, who are critical to maintaining our competitive position within the UAV industry. As of May 31, 2023, we had 288 permanent employees, as set forth below, by function:

Department	Number of employees
Sales and business development	25
Product development (software)	35
Product development (mechanical)	81
Production	10
Product management	8
Marketing	10
Manufacturing	19
Quality assurance team	19
Management	4
Finance	13
Customer support and success	28
Supply chain management	16
Corporate administration	20

In addition to our permanent employees, we have five personnel engaged as consultants and 232 employees on a contractual basis primarily as technicians for providing support to manufacturing team, as of May 31, 2023. We have also engaged 31 contractual labourers for carrying out various activities such as manpower support services, security and housekeeping, as of May 31, 2023.

We consider ourselves to have good relations with our employees. In addition to compensation that includes salary, allowances and performance linked bonuses, we provide our employees other benefits which include advance salary and yearly leaves. Our human resource policy focuses on recruiting talented and qualified personnel who would integrate well with our current workforce. We conduct regular training workshops and performance reviews. We endeavor to develop and train our employees in order to facilitate the growth of our operations. Our performance management procedures are focused on increasing alignment between individual and organizational goals and taking regular feedback to facilitate interaction between new employees and senior management.

Corporate Social Responsibility

We have constituted a corporate and social responsibility ("**CSR**") committee of our Board of Directors comprising of three Directors, namely, Rahul Singh, Ganapathy Subramaniam and Vikas Balia, and have adopted and implemented a CSR policy, pursuant to which we have spent ₹ 1.20 million in Fiscal 2023, towards our CSR activities to provide education to underprivileged girls, addressing hunger and support mid-day meals.

Properties

Our Registered Office and manufacturing facility is located at EL-146, TTC Industrial Area, Electronic Zone MIDC, Mahape, Navi Mumbai Thane - 400 710, Maharashtra, India and is held on a leave and license basis for a period of five years from October 1, 2021. Our product development centre is located at Unit No. 702, 7th Floor, Building Q2, Aurum Q Parc, Plot No. Gen 4/1, TTC, Thane Belapur Road, Navi Mumbai - 400 710 and is held on a leave and license basis for a period of five years from January 15, 2022. Our warehouses, guest house and sales office are also located on licensed premises. Also see, '***Risk Factors – 31. Our manufacturing facility and Registered Office are located on premises taken on a leave and license basis. There can be no assurance that these leave and license agreements will be renewed upon termination or that we will be able to obtain other premises on leave and license basis on same or similar commercial terms or at all.***' on page 44.

Competition

We face competition from companies such as Asteria Aerospace Private Limited, DCM Shriram Limited, Adani Defence and Aerospace (Adani Enterprises Limited), as well as other international companies such as Lockheed Martin Corporation and Autel Robotics Corp. Limited, which either operate in the same line of business as us and offer similar products *(Source: 1Lattice Report)*. See '***Risk Factors – 24. Our industry is competitive and our***

inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.' on page 41.

IMPACT OF COVID-19

Covid-19 has been extremely disruptive for the drone industry with huge supply shortage for components, restriction on logistics movement, delay in imports and custom clearance hampering cargo movements. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. The pandemic has impacted, and may further impact, all of our Company's stakeholders – employees, clients, investors and communities in which it operates. However, in spite of the supply chain disruptions, we successfully delivered our orders on time, as we were able to come up with alternative sources of supply or change parts which are either readily available or had a supply commitment. For further information, see ***'Risk Factors – 29. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.'*** on page 43.

KEY REGULATIONS AND POLICIES

*The following is a brief overview of certain key laws, regulations, and policies in India, which are applicable to our Company and the business and operations undertaken by our Company. The information detailed below has been obtained from various legislations, including rules, regulations, guidelines, and circulars promulgated and issued by regulatory bodies that are available in the public domain. The overview and description set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details of the government approvals and licenses obtained by our Company, see '**Government and Other Approvals**' beginning on page 376.*

Key industry specific regulations

Aircraft Act, 1934, as amended ("Aircraft Act"), the Aircraft Rules, 1937, as amended ("Aircraft Rules"), the Drone Rules, 2021, as amended ("Drone Rules")

The Aircraft Act and the Aircraft Rules were enacted to control the manufacture, possession, use, operation, sale, and the import and export of aircrafts. They stipulate parameters for determining airworthiness, maintenance of aircrafts, general conditions for flying and safety, registration of aircrafts and conduct of investigations. The Directorate General of Civil Aviation ("**DGCA**") is the competent authority for providing the abovementioned license and approvals. Pursuant to the Aircraft (Amendment) Act, 2020, three regulatory bodies under the Ministry of Civil Aviation were accorded the status of statutory organisations, namely the DGCA, the Bureau of Civil Aviation Security and the Aircraft Accidents Investigation Bureau.

The Ministry of Civil Aviation, on August 25, 2021, notified the Drone Rules, which repealed the Unmanned Aircraft System Rules, 2021. The Drone Rules define a 'drone' as an unmanned aircraft system and it applies to: (i) all persons owning or possessing, or engaged in leasing, operating, transferring or maintaining an unmanned aircraft system in India; (ii) all unmanned aircraft systems that are registered in India; and (iii) all unmanned aircraft systems that are being operated for the time being, in or over India, and published the Certification Scheme for Unmanned Aircraft Systems, dated January 26, 2022. The Drone Rules provides detailed provisions inter alia on: (i) classification of unmanned aircraft systems; (ii) certification of unmanned aircraft systems; (iii) registration of unmanned aircraft systems; (iv) operation of unmanned aircraft systems; (v) remote pilot licenses; and (vi) unmanned aircraft system traffic management. The Drone Rules authorise the DGCA or an officer authorised by the central government, or the state government to levy a penalty of up to Rupees one lakh, for a contravention of the Drone Rules. The Ministry of Civil Aviation, on February 11, 2022, notified the Drone (Amendment) Rules, 2022 which further amended the Drone Rules to abolish the requirement of a drone pilot licence for operating drones.

Industries (Development and Regulation) Act, 1951, as amended ("IDAR Act")

The IDAR Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace and defence equipment. The IDAR Act is administered by the Ministry of Commerce and Industries through the Department for Promotion of Industry and Internal Trade.

Regulations relating to foreign trade

The foreign policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992, as amended ("**Foreign Trade Act**"). The Foreign Trade Act empowered the Central Government to make provisions for the development and regulation of foreign trade by way of facilitating imports into as well as augmenting exports from the country and in all other matters related to foreign trade. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. It is authorised to periodically formulate the Indian Foreign Trade Policy, 2015-20 ("**Foreign Trade Policy**") and amend it thereafter whenever it deems fit. All exports and imports are required to be in compliance with this policy. The Foreign Trade Policy provides for certain schemes for the promotion of export of finished goods and import of inputs. The Foreign Trade Policy has been extended for a further period of six months with effect from October 1, 2022.

The Foreign Trade Act, read with the Foreign Trade Policy, also provides that no person or company can make exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempted.

Environment law legislations

The Environment (Protection) Act, 1986 (the "Environment Act") and Environment Protection Rules, 1986 (the "Environment Protection Rules")

The Environment Act has been enacted with the objective of protection and improvement of the environment, control, reduce and abate pollution and empowers the government to take measures in this regard. Further, the Environment Protection Rules specifies, *amongst other things*, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the Environment Protection Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. As per the Environment Protection Rules, every person who carries on an industry, operation or process requiring consent under Water Act or Air Act or both or authorization under the Hazardous Wastes Rules is required to submit to the concerned state pollution control board an environmental audit report for that financial year in the prescribed form.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the Environment Protection Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of processes and their respective hazardous wastes, and waste constituents with respective concentration limits has been provided in the schedules of the Hazardous Waste Rules. The Hazardous Wastes Rules require every occupier engaged in the generation, handling, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of hazardous wastes to obtain authorisation from the concerned state pollution control board, as applicable.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. The Air Act requires any person establishing or operating any industrial plant in an air pollution control area to obtain prior consent from the concerned state pollution control board. Further, it prohibits any person operating any industrial plant in an air pollution control area from causing or permitting to be discharged the emission of any air pollutant in excess of prescribed standards. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country and ensure that domestic and industrial pollutants are not discharged into water bodies without adequate treatment. Any violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment, as applicable.

E-Waste (Management), 2016 ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must register with the state pollution control board and also submit annual returns to the same authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Labour law legislations

Factories Act, 1948 (the "Factories Act")

The Factories Act, as amended, defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or is ordinarily so carried on or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power, or is so ordinarily carried on.

This legislation is being enforced by the Central Government through officers appointed under the Factories Act i.e., Inspectors of Factories, Deputy Chief Inspectors etc. who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of the Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, *among other things*, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Other labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Maternity Benefit Act, 1961, Child Labour (Prohibition and Regulation) Act, 1986 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

a) The Code on Wages, 2019, which regulates and amalgamates laws relating to wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, *among other things*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

b) Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

c) The Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *among other things*, including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employee's Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961,the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1966 and the Unorganized Workers' Social Security Act, 2008. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

d) The Occupational Safety, Health and Working Conditions Code, 2020, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces certain old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India.

Laws governing foreign investments

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy ("**FDI Policy**") issued by the Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry, Government of India from time to time. The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DIPP. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route. 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.

Intellectual property legislations

Trade Marks Act, 1999 (the "Trade Marks Act") and Trade Mark Rules, 2017 ("Trade Mark Rules")

The Trade Marks Act, 1999 provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks. It also provides for penalties in form of imprisonment or fine or both for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public. The Trade Marks Rules, lay down certain guidelines regarding procedure. Some of the salient features of the Trade Marks Rules include the process for determination of 'well-known' trademarks, representation of sound marks, recognition of e-mail as a mode of service, new registration fees and mandatory filing of statements of users. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "**Copyright Laws**") serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

The Patents Act, 1970 ("Patents Act")

The patent regime in India is governed by the Patents Act and rules and regulations made thereunder. Pursuant to the TRIPS Agreement, product patent regime with a protection period of 20 years became applicable in India. The patent regime protects inventions through patents. The amended Patents Act defines "inventive step" to mean a feature of an invention that involves a technical advance as compared to the existing knowledge or having economic significance or both and that makes an invention not obvious to a person skilled in the art. Any person claiming to be the true and first inventor of the invention or the assignee of the true and first inventor or the legal representative of any deceased person who was entitled to make an application immediately before death may apply for a patent for an invention.

The Designs Act, 2000 (the "Designs Act")

The Designs Act prescribes for the registration of designs. The Designs Act specifically lays down the essentials of a design to be registered and inter alia, provides for application for registration of designs, copyright in registered designs, etc. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

Other applicable laws

In addition to the above, our Company is required to comply with the provisions of the Indian Contract Act, 1872, Companies Act, 2013, Transfer of Property Act, 1882, Indian Stamp Act, 1899, Foreign Exchange Management Act, 1999, Prevention of Corruption Act, 1988, to the extent applicable, Income Tax Act 1961, Income Tax Rules, 1962, as amended by the Finance Act in respective years, the relevant goods and services tax legislations, Customs Act, 1962, Customs Tariff Act, 1975, Insolvency and Bankruptcy Code, 2016, and other applicable laws and regulations imposed by the central and state governments and other authorities for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "ideaForge Technology Private Limited" on February 8, 2007, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 8, 2007 issued by the RoC. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a resolution passed by our Shareholders' on December 20, 2022, the name of our Company was changed to "ideaForge Technology Limited" and a fresh certificate of incorporation dated January 2, 2023 was issued by the RoC.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since its incorporation.

Date of change	Details of change in the registered office	Reasons for change
March 8, 2007	Registered office was changed from 4, Raj Palace Apartment, Samarth Nagar, Majas Road, Jogeshwari (East), Mumbai 400060, Maharashtra, India to Room No. 1, 4th Floor, KReSIT BI, IIT Bombay, Powai, Mumbai 400076, Maharashtra, India	Administrative convenience
March 1, 2013	Registered office was changed from Room No. 1, 4th Floor, KReSIT BI, IIT Bombay, Powai, Mumbai 400076, Maharashtra, India to 1st Floor, Plot EL-121, TTC Industrial Area, Electronic Zone, MIDC, Mahape, Navi Mumbai, Thane 400 710, Maharashtra, India	Administrative convenience
March 10, 2017	Registered office was changed from 1st Floor, Plot EL-121, TTC Electronic Zone, MIDC, Mahape, Navi Mumbai, Thane- 400 710, Maharashtra, India to EL-146, TTC Industrial Area, Electronic Zone, MIDC, Mahape, Navi Mumbai, Thane 400 710, Maharashtra, India	Administrative convenience

Main objects of our Company

The main objects clause as contained in the Memorandum of Association enables our Company to undertake its existing activities. The main objects contained in our Memorandum of Association are as follows:

1. *"To manufacture and to act as buyer, seller, importer, exporter, dealer, distributor, assembler, converter, fitter, repairer, broker, designer, developer, fabricator, processor, contractor of all classes of apparatus, instruments, machineries, fixtures, devices, products and services, pertaining to electronics, electrical systems, mechanical systems, electro-mechanical systems, educational products and services, architecture and civil engineering, medical and related, engineering and other materials, engineering software and other related products and services.*

2. *To carry on the business or vocation of acting as advisors and consultants on all matters and problems pertaining to electronics, electrical systems, mechanical systems, electro-mechanical systems, educational products and services, architecture and civil engineering, medical and related, engineering and other materials, engineering software and other related products and services."*

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution	Particulars
December 7, 2016	Clause V (a) of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 1,000,000 divided into 100,000 Equity Shares of ₹ 10 each to ₹ 3,000,000 divided into 225,000 Equity Shares of ₹ 10 each and 75,000 preference shares of ₹ 10 each.

Date of Shareholder's resolution	Particulars
April 28, 2022	Clause IV of the Memorandum of Association was amended to reflect the change in liability from "The liability of members is limited" to "The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them".
November 28, 2022	Clause V (a) of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 3,000,000 divided into 225,000 Equity Shares of ₹ 10 each and 75,000 preference shares of ₹ 10 each to ₹ 600,000,000 divided into 59,925,000 Equity Shares of ₹ 10 each and 75,000 preference shares of ₹ 10 each.
December 20, 2022	Amendment of the Memorandum of Association to reflect the change in name of our Company from "ideaForge Technology Private Limited" to "ideaForge Technology Limited" due to the conversion of our Company from a private limited company to a public limited company.

Major events and milestones of our Company

The table below sets forth some of the key events in our history:

Calendar Year	Milestone
2007	Incorporation of our Company
2007	Incubation at Society for Innovation and Entrepreneurship, Bombay
2009	First angel investment by Sujata Vemuri in consultation with Ravi Bhagavatula
2009	Demonstrated NETRA, exhibiting the product launch of India's first quadcopter drone at DefExpo*
2009	Early prototype of our VTOL UAV (quadrotor helicopter) was featured in a popular Bollywood movie
2009	Developed one of the world's smallest and lightest autopilots*
2010	Sale of our first drone to a state police department
2010	Developed NETRA UAV in partnership with a Government of India entity
2014	Received ₹ 388.10 million capital contract from Government of India entities
2015	Angel Investment by Centre for Innovation, Incubation and Entrepreneurship, Indian Institute of Management, Ahmedabad (IIM- Ahmedabad)
2016	Developed the first hybrid VTOL drone with fixed wings in India, known as the SWITCH UAV*
2017	First round of institutional investment by Celesta Capital II Mauritius, Celesta Capital II-B Mauritius, Qualcomm Asia Pacific Pte. Ltd. and Infosys Limited
2019	First company to participate in the demonstration of 5G enabled UAVs at Indian Mobile Congress*
2020	Bagged contract for SWITCH 1.0 UAVs for approximately US$ 18.27M
2022	Won the largest mini-VTOL UAV contract against global competitors from Russia, Israel, France, Ukraine, and other countries*
2022	Second round of institutional investment by Florintree Enterprise LLP, Infina Finance Private Limited and Export Import Bank of India in addition to first round of institutional investors
2022	Incorporated a Subsidiary in USA, ideaForge Technology Inc.
2023	Launched Netra V4 Pro in USA

** Source: 1Lattice Report*

Awards, accreditations and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards, accreditations and recognition
2017	Recognised as Best Product Design Company in the Indian Aerospace & Defence category by India Electronics & Semiconductor Association ("**IESA**") at the Deftronics Award 2017
2018	Received an award for business innovation at the MIF Awards 2018 by the Marico Innovation Foundation
2020	Recognised as Top Indian MSME for Patents and Commercialisation at the National Intellectual Property Awards 2020
2021	Received the National Geospatial Award by Federation of Indian Chambers of Commerce & Industry
	Recognised as Best Drone Company by The Associated Chambers of Commerce and Industry of India at the 13^{th} International Conference cum Awards – Civil Aviation & Cargo
2022	Received the Outstanding Achiever Award by Thane Small Scale Industries Association
2023	Received the National Technology Award during the National Technology Week organised by the Department of Science and Technology, Government of India
	Received the 'Disruptor' award at the CNBC-TV18 India Business Leader Awards 2023

Significant financial and strategic partnerships

Our Company does not have any significant financial or strategic partnerships as on the date of this Red Herring Prospectus.

Time/cost overrun in setting up projects

There has been no time or cost overrun in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There has been no instance of rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Capacity/facility creation, location of plants

For details regarding our manufacturing facility, see '***Our Business – Manufacturing Facility***' on page 204.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see '***Our Business***' on page 188.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Individual and/or corporate guarantees provided by the Promoters and Directors in relation to loans availed by our Company

Except as stated below, as on the date of this Red Herring Prospectus, no guarantee has been issued by our Promoters and Directors in relation to loans availed by our Company:

Sr. No.	Name of the Promoter/Director	Lender	Type of facility	Sanctioned amount of facility (in ₹ million)	Consideration	Reason
1.	Ashish Bhat (also a Promoter Selling Shareholder), Ankit Mehta and Rahul Singh**	Axis Bank Limited	Working capital facilities	300.00	Nil	Personal guarantee in respect of the working capital facilities to our Company
		Export Import Bank of India	Fund and non-fund based facilities	750.00	Nil	Personal guarantee in respect of the fund and non-fund based facilities to our Company
		HDFC Bank Limited	Credit facilities	592.75	Nil	Personal guarantee in respect of the credit facilities to our Company
		Union Bank of India	Bank guarantee	134.45	Nil	Personal guarantee in respect of the bank guarantee to our Company

*** The letters of guarantee have been jointly executed by our Promoters along with the Chief Financial Officer of our Company.*

The aforementioned guarantees shall continue and remain in force until the underlying facilities are repaid by our Company. In the event of any default by our Company towards payment of the outstanding amount under the aforementioned facilities, our Promoters along with Chief Financial Officer of our Company, shall be liable for the payment of the outstanding amount, including the interest amount, expenses incurred by the lender and any loss suffered by reason of such default.

Summary of Key Agreements and Shareholders' Agreement

Except as disclosed below, there are no other inter-se agreements, arrangements, deeds of assignment, acquisition agreements, shareholders' agreements, any agreements between our Company, our Promoters, and Shareholders, or agreements of like nature or agreements comprising and clauses/covenants which are material to our Company. Further, there are no other clauses/covenants which are adverse or prejudicial to the interest of the minority/public shareholders of our Company.

Shareholders' agreement dated April 14, 2022 ("SHA"), executed between our (a) Company, (b) our Promoters, (c) Vipul Joshi ("VJ"), (d) Agarwal Trademart Private Limited, Ashwin Limaye Jt. with Swati Trehan, Bhavin Shah, Deepak Sachdeva, Amardeep Singh, Sujata Vemuri, Prashant Puri, R. Laxman, Rahul Shah, Ramakrishna K.V., Naresh Malhotra, Society for Innovation and Entrepreneurship, Sundararajan K. Pandalgudi, Dhruv Gupta, Galiakotwala Engineering Company Private Limited, Meghaa Karnani, Don Bosco Sequeira, Ganapathy Subramaniam (collectively, "Other shareholders"), (e) A&E Investment LLC, Ajay Doshi, Florintree Enterprise LLP, Infina Finance Private Limited, Anuraag Shah, Ganapathy Subramaniam, Ramesh Shah, Charulata C. Shah, Nambirajan Seshadri, Piyush Maheshwari, Puneet Maheshwari, Richa Garg, Vikas Malu, Ashish Gupta, Galiakotwala Engineering Company Private Limited, Shaji Kumar Devakar, Bharat Jaisinghani, Nikhil Jaisinghani, Amita Desai, Dhruv Gupta, Devansh Gupta (collectively, the "Seed Investors"), (f) WRV II Mauritius (now Celesta Capital II Mauritius), WRV II-B Mauritius (now Celesta Capital II-B Mauritius), Indusage Technology Venture Fund I, Qualcomm Asia Pacific Pte. Ltd. and Infosys Limited (collectively "Series A Investor"), (g) Trifecta Venture Debt Fund I, (h) Export Import Bank of India and (i) Florintree Enterprise LLP ("Series B1 Investor", and together with Series A Investor, the "Investors"), and the amendment agreement to the SHA dated February 4, 2023 ("Amendment Agreement").

The SHA was entered into to record the *inter se* rights and obligations by virtue of the respective shareholding of the parties in our Company, the management of our Company and certain other matters.

The SHA confers certain rights to the Investors, including appointment of nominee directors, and certain reserved matters for which the Investors have affirmative voting rights. The SHA also provides certain restrictions on transfer of Equity Shares by the Promoters till the time Series B1 Investor and Series A Investor hold five percent of the fully diluted share capital, each, right of first offer in case of certain transfers by the Investors, tag-along rights, drag-along rights in favor of the Investors in the event of transfer of Equity Shares held by them, and pre-emptive rights in case of further dilution of share capital by our Company in favor of the Shareholders. Additionally, the SHA also provides for certain exit rights, information rights, including in relation to certain corporate, financial and other records of our Company.

Pursuant to the terms of the Amendment Agreement, except for the director nomination rights, as stated below, all rights of the parties to the SHA shall automatically stand terminated upon commencement of listing of the Equity Shares on any recognized stock exchange in India pursuant to the Offer, without requiring any further action. In accordance with the terms of the Amendment Agreement, (A) the Promoters will have the right to (a) nominate four directors on our Board so long as they collectively hold at least 15% of our Company's fully diluted paid-up share capital, (b) nominate three directors on our Board so long as they collectively hold at least 10% of our Company's fully diluted paid-up share capital, (c) nominate two directors on our Board so long as they collectively hold at least 5% of our Company's fully diluted paid-up share capital, and (d) nominate one director on our Board so long as they collectively hold at least 2% of our Company's fully diluted paid-up share capital, (B) Celesta Capital II Mauritius and Celesta Capital II-B Mauritius, will have the right to nominate one director on our Board as long as they hold atleast 10% of our Company's fully diluted paid-up share capital, and (C) Series B1 Investor will have the right to nominate one director on our Board as long as it holds atleast 10% of our Company's fully diluted paid-up share capital. However, such nomination rights shall be extinguished forever in the event that their shareholding in our Company falls below stipulated thresholds. Further, in terms of the provisions of our Articles of Association, such nomination right shall be subject to approval of the Shareholders of our Company by way of a special resolution at the first general meeting immediately subsequent to the date on which the Equity Shares of our Company are listed on the Stock Exchanges.

Agreement dated January 31, 2023 executed between Ankit Mehta, Rahul Singh, Ashish Bhat, Sujata Vemuri and Ravi Bhagavatula (together the "Parties" and such agreement, the "Agreement")

The Agreement was executed amongst the Parties for the purposes of recording the terms and conditions upon which the Parties have agreed to act in concert for any future acquisition of Shares (as defined in the Agreement) in our Company, post listing of Equity Shares on the Stock Exchanges. Each of the Parties shall act as persons acting in concert with the relevant party(ies) that will be acquiring the Shares during the subsistence of the Agreement. Any party that would intend to undertake a proposed acquisition, shall notify the other parties, in writing, of its intent to undertake such proposed acquisition at least seven days prior to the earlier of: (a) execution of binding agreements in relation to the proposed acquisition; (b) announcement of the proposed acquisition in the public domain; or (c) consummation of the proposed acquisition pursuant to which the relevant party acquires the Shares. Under the Agreement, Sujata Vemuri and Ravi Bhagavatula have the right to participate in any proposed acquisition by Ankit Mehta, Rahul Singh and Ashish Bhat, and in the event Sujata Vemuri and Ravi Bhagavatula do not exercise their right to participate in a proposed acquisition, they shall act as persons acting in concert in the manner set out in the Agreement. In the event a proposed acquisition triggers an open offer pursuant to the Takeover Regulations, the Parties shall conduct such open offer in accordance with the Takeover Regulations. The Agreement may be terminated (a) at any time by the written agreement of the Parties, or (b) upon expiry of the term, unless the term is extended by the Parties, or (c) by the Parties, upon the occurrence of certain events, as specified in the Agreement. The Agreement also states that the Parties shall act in concert solely for the limited purposes of the acquisition of Shares in our Company and for no other purposes.

Pre-IPO Placement related share subscription agreements

Our Company has entered into four share subscription agreements, each dated June 6, 2023 ("Share Subscription Agreements"), separately with each of Motilal Oswal Midcap Fund, Think Investments PCC., 360 ONE Special Opportunities Fund – Series 9 (earlier, IIFL Special Opportunities Fund – Series 9), 360 ONE Special Opportunities Fund – Series 10 (earlier, IIFL Special Opportunities Fund – Series 10) and Tata AIG General Insurance Company Limited, in relation to the allotment of 892,857 Equity Shares, in consulation with the BRLMs, at a price of ₹ 672 per Equity Share, including a premium of ₹ 662 per Equity Share, aggregating to ₹ 600.00 million.

Key terms of other subsisting material agreements

As on the date of this Red Herring Prospectus, our Company has not entered into any subsisting material agreements with strategic partners, joint venture partners and/or financial partners other than in the ordinary course of business of our Company.

Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or Promoter Group or Shareholders or any other employee

As on the date of this Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or Promoter Group or Shareholders or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding company

As on the date of this Red Herring Prospectus, our Company has no holding company.

Joint Ventures of our Company

As on the date of this Red Herring Prospectus, our Company does not have any joint ventures.

Subsidiary of our Company

As on the date of this Red Herring Prospectus, our Company has one wholly-owned foreign subsidiary, ideaForge Technology Inc.

ideaForge Technology Inc. was incorporated as a domestic for profit Corporation on September 6, 2022, with Office of Secretary of State of Texas, USA under the Texas Business Organizations Code. Its registered office is at 5900, Balcones Drive, STE 100, Austin, Texas 78731 USA. The file number assigned to ideaForge Technology Inc. by the Office of the Secretary of State of Texas, USA is 804717824. The principal business of ideaForge Technology Inc. is, *inter alia*, engineering products, sales and services of UAVs.

Capital Structure

The authorized share capital of ideaForge Technology Inc. is $ 100 divided into 1,000 shares of $ 0.1 each and its issued, subscribed and paid-up equity share capital is Nil as the bank account of ideaForge Technology Inc. is recently opened, however, no subscription money has been paid yet as on date of this Red Herring Prospectus.

Shareholding pattern

The following table sets forth the details of the shareholding of ideaForge Technology Inc:

Sr. No.	Name of the shareholders	Number of shares of face value $ 0.1 each	Percentage of total equity shareholding (%)
1	*ideaForge Technology Limited	1,000	100%

**ideaForge Technology Limited is the subscriber to 1,000 shares of $ 0.1 each. However, the same is not paid up as the bank account of ideaForge Technology Inc. is recently opened and no subscription money has been paid yet as on date of this Red Herring Prospectus.*

Board of directors

The board of directors of ideaForge Technology Inc. comprises of one director, Ankit Mehta.

Amount of accumulated profits or losses

There are no accumulated profits or losses of ideaForge Technology Inc. that have not been accounted for by our Company.

Confirmations

As on the date of this Red Herring Prospectus, our Subsidiary does not have any: (a) business interest in our Company; or (b) related business transactions with our Company.

As on the date of this Red Herring Prospectus, our Company and our Subsidiary do not have any common pursuit.

As on the date of this Red Herring Prospectus, our Subsidiary is not listed in India or abroad.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have a minimum of three Directors and a maximum of up to fifteen Directors. As on the date of this Red Herring Prospectus, our Board comprises eight Directors, of whom three are Independent Directors including one woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

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

<table>
<tr><th>Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN</th><th>Directorships in other companies</th></tr>
<tr><td>Srikanth Velamakanni

Designation: Chairman and Independent Director and not liable to retire by rotation

Term: Five years from December 14, 2022

Period of Directorship: Director since December 14, 2022

Address: C 3701, Oberoi Exquisite, Oberoi Garden City, Near Westin Hotel, Goregaon East, Mumbai, Maharashtra 400 063

Occupation: Professional

Date of Birth: February 16, 1974

Age: 49 years

DIN: 01722758</td><td>Indian Companies

• Broadcast Audience Research Council
• Fractal Analytics Private Limited
• Metro Brands Limited
• NIIT Limited
• Theremin AI Solutions Private Limited

Foreign Companies

• Final Mile Consulting LLC
• Fractal Analytics (Shanghai) Limited
• Fractal Analytics (Switzerland) GmbH
• Fractal Analytics Germany GmbH
• Fractal Analytics Inc.
• Fractal Analytics Malaysia SDN BHD
• Fractal Analytics Netherland B.V.
• Fractal Analytics Sweden AB
• Fractal Analytics UK Limited
• Fractal Private Limited (Singapore)
• Limited Liability Company ‘Symphony (Ukraine)’*</td></tr>
<tr><td>Ankit Mehta

Designation: Chief Executive Officer and Whole-Time Director

Term: Five years from November 15, 2019 and liable to retire by rotation

Period of Directorship: Director since February 8, 2007

Address: Flat No G-426, 4th Floor, Maple Leaf CHS Ltd, Raheja Vihar Complex, Chandivali, Mumbai, Maharashtra 400 072

Occupation: Business</td><td>Indian Companies

Nil

Foreign Companies

• ideaForge Technology Inc.</td></tr>
</table>

Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN	Directorships in other companies
Date of Birth: February 14, 1983 *Age*: 40 years *DIN*: 02108289	
Rahul Singh *Designation:* Vice President–Engineering and Whole-Time Director *Term:* Five years from November 15, 2019 and liable to retire by rotation *Period of Directorship:* Director since February 8, 2007 *Address:* 1002/ Tower-5/ Emerald Isle, Saki Vihar Road, L and T Powai, Powai, Mumbai, Maharashtra 400 072 *Occupation:* Business *Date of Birth:* October 1, 1984 *Age:* 38 years *DIN:* 02106568	Nil
Ashish Bhat *Designation:* Vice President-Research & Development and Whole-Time Director *Term:* Five years from November 15, 2019 and liable to retire by rotation *Period of Directorship:* Director since February 8, 2007 *Address:* Flat 1301, Floor 13, Wing 7 Saki Vihar Road, Emerald Isle Tower 7, Next to L T Business Park, Powai, Mumbai, Maharashtra 400 072 *Occupation:* Business *Date of Birth:* September 13, 1983 *Age:* 39 years *DIN:* 02480920	Nil
Ganapathy Subramaniam *Designation:* Non-Executive Nominee Director[**] *Term:* Since December 13, 2022 and not liable to retire by rotation *Period of Directorship:* Director since November 28, 2017	*Indian Companies* • CIREL Systems Private Limited • Galaxeye Space Solutions Private Limited *Foreign Companies*

Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN	Directorships in other companies
Address: Villa 29, Prestige White Meadows, Whitefield Main Road, Whitefield, Bengaluru, Karnataka 560 066 *Occupation:* Venture partner *Date of Birth:* March 31, 1968 *Age:* 55 years *DIN*: 00019891	• Kyulux • Tonbo Imaging Pte Ltd
Mathew Cyriac *Designation:* Non-Executive Nominee Director*** *Term:* Director since June 24, 2022 and not liable to retire by rotation *Period of Directorship:* Director since June 24, 2022 *Address:* Imperial, 1908, North Tower, B.B. Nakashe Marg, Tardeo, Mumbai, Maharashtra 400 034 *Occupation:* Business *Date of Birth:* May 20, 1969 *Age:* 54 years *DIN:* 01903606	*Indian Companies* • Access Engineering Products Private Limited • CMS IT Services Private Limited • Data Patterns (India) Limited • Elimath Advisors Private Limited • Florintree Advisors Private Limited • Florintree Managers Private Limited • Freight Commerce Solutions Private Limited • Gokaldas Exports Limited • Glass Dreamz Entertainment Private Limited • Jyoti Structures Limited • Myy Sports Private Limited • Logicserve Digital Private Limited • Procam International Private Limited • Plaeup Private Limited • SV Edusports Private Limited • Tata Capital Limited • Tata Play BroadBand Private Limited • Tata Play Limited *Foreign Companies* Nil
Sutapa Banerjee *Designation:* Independent Director *Term:* Five years from December 14, 2022 and not liable to retire by rotation *Period of Directorship:* Director since December 14, 2022 *Address*: Springs – 1, Flat No. 3003 A and B, 30th Floor, G.D. Ambedkar Marg, Wadala Tel Exch Naigaon, Dadar East, Mumbai, Maharashtra 400 014 *Occupation*: Consultant	*Indian Companies* • Axis Capital Limited • Camlin Fine Sciences Limited • CDP Operations India Private Limited • Godrej Properties Limited • JSW Holdings Limited • JSW Cement Limited • Polycab India Limited • Satsure Analytics India Private Limited • Zomato Limited

Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN	Directorships in other companies
Date of Birth: March 24, 1965 *Age*: 58 years *DIN*: 02844650	*Foreign Companies* Nil
Vikas Balia *Designation:* Independent Director *Term:* Five years with effect from December 14, 2022 and not liable to retire by rotation *Period of Directorship:* Director since December 14, 2022 *Address*: Mukan 9, Nehru Park, Jodhpur, Rajasthan 342 003 *Occupation*: Advocate *Date of Birth*: August 4, 1975 *Age*: 47 years *DIN*: 00424524	*Indian Companies* • Eqaro Surety Private Limited • Hindalco Industries Limited • Hasti Petro Chemical and Shipping Limited • Mukan Plus Private Limited • Mehta Balia Consultants Private Limited • Parvdas Private Limited *Foreign Companies* Nil

* *Chairman of supervisory board*
** *Nominee of Celesta Capital II Mauritius (formerly known as WRV II Mauritius) and Celesta Capital II-B Mauritius (formerly known as WRV II-B Mauritius)*
*** *Nominee of Florintree Enterprise LLP*

Brief profiles of our Directors

Srikanth Velamakanni is the Chairman and Independent Director of our Company and has been an Independent Director on the Board of our Company since December 14, 2022. He holds degree in bachelor of technology in electrical engineering from Indian Institute of Technology, Delhi and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad. He is associated with Fractal Analytics Private Limited as the co-founder, group chief executive and executive vice chairman.

Ankit Mehta is the Chief Executive Officer and Whole-Time Director of our Company. He is a Promoter of our Company. He has been associated with our Company since its incorporation and has experience in the drone industry. In our Company, he is responsible for driving business growth, strategy, global expansion and investor relations. He holds a degree in bachelor of technology in mechanical engineering under the dual degree programme and a degree in master of technology in mechanical engineering with specialization in computer aided design and automation under the dual degree programme from Indian Institute of Technology, Bombay. He received the Young Alumnus Achiever Award from Indian Institute of Technology, Bombay in the year 2020.

Rahul Singh is the Vice President-Engineering and Whole-Time Director of our Company. He is a Promoter of our Company. In our Company, he is responsible for driving innovation and for product and technology roadmap. He has been associated with our Company since its incorporation and has experience in the drone industry. He holds a degree in bachelor of technology in mechanical engineering from Indian Institute of Technology, Bombay. He received the Young Alumnus Achiever Award from Indian Institute of Technology, Bombay in the year 2020.

Ashish Bhat is the Vice President-Research & Development and Whole-Time Director of our Company. He is a Promoter of our Company. In our Company, he is responsible for driving innovation and for product and technology roadmap. He has been associated with our Company since its incorporation and has experience in the drone industry. He holds a degree in bachelor of technology in electrical engineering from Indian Institute of Technology, Bombay. He received the Young Alumnus Achiever Award from Indian Institute of Technology, Bombay in the year 2020.

Ganapathy Subramaniam is a Non-Executive Nominee Director of our Company and has been associated with our Company since November 28, 2017. He holds a degree in bachelor of engineering in electrical and electronics engineering from Bharathidasan University. He was previously associated with Texas Instruments (India) Private Limited.

Mathew Cyriac is a Non-Executive Nominee Director of our Company and has been associated with our Company since June 24, 2022. He holds a degree in bachelor of engineering in mechanical engineering from Anna University, Madras, and a post-graduate diploma in management from Indian Institute of Management, Bangalore. He was previously associated with Blackstone Advisors India Private Limited, DLJ Merchant Banking Partners, Bank of America and Credit Suisse First Boston Corporation.

Sutapa Banerjee is an Independent Director of our Company and has been an Independent Director on the Board of our Company since December 14, 2022. She holds degree in post-graduate honours diploma in personnel management and industrial relations from XLRI Jamshedpur. She was an advanced leadership fellow at Harvard University in 2015. She was previously associated with Royal Bank of Scotland N.V., ABN AMRO Bank and Ambit Capital Private Limited.

Vikas Balia is an Independent Director of our Company and has been an Independent Director on the Board of our Company since December 14, 2022. He holds degree in doctor of philosophy from Jai Narain Vyas University, Jodhpur. He is a designated senior advocate in the Rajasthan High Court, Jodhpur, and also is an associate member of the Institute of Chartered Accountants of India.

Relationship between our Directors and the Key Managerial Personnel or Senior Management

None of our Directors are related to each other or to any of the Key Managerial Personnel or Senior Management.

Terms of Appointment of Directors

Terms of appointment of our Executive Directors

Ankit Mehta

Ankit Mehta is a Whole-Time Director of our Company and has been associated with our Company since its incorporation. He was reappointed as a Whole-Time Director of our Company pursuant to the resolution passed by our Board on January 16, 2020, and the resolution passed by our Shareholders on December 31, 2020, for a period of five years with effect from November 15, 2019. He has most recently been appointed as the Chief Executive Officer of our Company with effect from December 1, 2022, pursuant to the resolution passed by our Board on December 1, 2022, and the resolution passed by our Shareholders on December 15, 2022.

According to the terms of his letter of appointment dated February 6, 2023 and as per the Board resolution dated February 3, 2023 and the Shareholders' resolution dated February 4, 2023 he is entitled to receive a fixed salary (including perquisites) of ₹ 15.25 million per annum from January 01, 2023 to November 14, 2024. He is also entitled to receive a performance related variable salary, provided that the maximum remuneration payable to him per annum shall not exceed ₹ 50.00 million.

Rahul Singh

Rahul Singh is a Whole-Time Director of our Company and has been associated with our Company since its incorporation. He was reappointed as a Whole-Time Director of our Company pursuant to the resolution passed by our Board on January 16, 2020, and the resolution passed by our Shareholders on December 31, 2020, for a period of five years with effect from November 15, 2019. He has most recently been re-designated as the Vice President-Engineering of our Company with effect from December 14, 2022, pursuant to the resolution passed by our Shareholders dated December 15, 2022.

According to the terms of his letter of appointment dated February 6, 2023 and as per the Board resolution dated February 3 2023 and the Shareholders' resolution dated February 4, 2023, he is entitled to receive a fixed salary (including perquisites) of ₹ 15.25 million per annum from January 01, 2023 to November 14, 2024. He is also entitled to receive a performance related variable salary, provided that the maximum remuneration payable to him per annum shall not exceed ₹ 50.00 million.

Ashish Bhat

Ashish Bhat is a Whole-Time Director of our Company and has been associated with our Company since its incorporation. He was reappointed as a Whole-Time Director of our Company pursuant to the resolution passed by our Board on January 16, 2020, and the resolution passed by our Shareholders on December 31, 2020, for a period of five years with effect from November 15, 2019. He has most recently been redesignated as the Vice President-Research & Development of our Company with effect from December 14, 2022, pursuant to the resolution passed by our Shareholders dated December 15, 2022.

According to the terms of his letter of appointment dated February 6, 2023 and as per the Board resolution dated February 3, 2023 and the Shareholders' resolution dated February 4, 2023, he is entitled to receive a fixed salary (including perquisites) of ₹ 15.25 million per annum from January 01, 2023 to November 14, 2024. He is also entitled to receive a performance related variable salary, provided that the maximum remuneration payable to him per annum shall not exceed ₹ 50.00 million.

Terms of appointment of our Non-Executive Nominee Directors

Our Non-Executive Nominee Directors are not entitled to receive any sitting fees and remuneration.

Terms of appointment of our Independent Directors

Pursuant to a resolution passed by our Board on February 3, 2023, our Independent Directors are entitled to receive a sitting fee of ₹ 0.10 million per sitting for attending meetings of our Board and of the various committees of our Board. Further, our Independent Directors are entitled to receive a commission as may be determined by our Board from time to time in accordance with the Companies Act, 2013, however the total commission payable to all our Independent Directors taken together should not exceed one percent of the net profits of our Company.

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Fiscal 2023 are set forth below.

Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in Fiscal 2023 is set forth below:

(i) In Fiscal 2023, Ankit Mehta received aggregate compensation of ₹ 12.46 million (which included an annual variable pay of ₹ 4.10 million for Fiscal 2022, payable in Fiscal 2023).

(ii) In Fiscal 2023, Rahul Singh received aggregate compensation of ₹ 12.46 million (which included an annual variable pay of ₹ 4.10 million for Fiscal 2022, payable in Fiscal 2023).

(iii) In Fiscal 2023, Ashish Bhat received aggregate compensation of ₹ 12.46 million (which included an annual variable pay of ₹ 4.10 million for Fiscal 2022, payable in Fiscal 2023).

Remuneration to our Non-Executive Nominee Directors

None of our Non-Executive Nominee Directors were paid any sitting fees or remuneration in Fiscal 2023.

Remuneration to our Independent Directors
Details of the remuneration paid to our Independent Directors in Fiscal 2023 is set forth below:

(i) In Fiscal 2023, Srikanth Velamakanni received sitting fees aggregating to ₹ 0.20 million.

(ii) In Fiscal 2023, Sutapa Banerjee received sitting fees aggregating to ₹ 0.40 million.

(iii) In Fiscal 2023, Vikas Balia received sitting fees aggregating to ₹ 0.20 million.

Remuneration paid to our Directors by our Subsidiary

None of our Directors have received any remuneration, sitting fees or commission from our Subsidiary in Fiscal 2023.

Bonus or profit-sharing plan for our Directors

Other than the performance related bonus as per the terms of the remuneration of the Executive Directors, none of our Directors are party to any bonus or profit-sharing plan of our Company.

Contingent and deferred compensation payable to our Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed in '***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***' on page 95, none of our Directors hold any Equity Shares in our Company as on the date of this Red Herring Prospectus.

Arrangement or understanding with major shareholders, customers, suppliers or others

Other than (a) Ganapathy Subramaniam, who has been nominated to our Board by Celesta Capital II Mauritius (formerly known as WRV II Mauritius) and Celesta Capital II-B Mauritius (formerly known as WRV II-B Mauritius), and (b) Mathew Cyriac, who has been nominated to our Board by Florintree Enterprise LLP, pursuant to the terms of the SHA, none of our Directors have any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

For further details, '***History and Certain Corporate Matters – Summary of Key Agreements and Shareholders' Agreement***' on page 219.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of repayment of, and interest payable on, loans provided to our Company by them. For further details, please see '***Related Party Transactions***' on page 249.

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

For further details regarding the shareholding of our Directors, see '***Capital Structure - Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***' on page 95.

Further, our Directors are also directors on the board, or are shareholders, kartas, trustees, proprietors, members or partners, of entities with which our Company has had transactions and may be deemed to be interested to the extent of the payments made by our Company, or services provided by our Company, if any, to these entities.

Interest in land and property

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Interest in promotion of our Company

Except for Ankit Mehta, Rahul Singh and Ashish Bhat, who are our Promoters, none of our Directors have any interest in the promotion or formation of our Company, as on the date of this Red Herring Prospectus.

Loans to Directors

As on the date of this Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Confirmations

None of our Directors is or has been a director on the board of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure, in the five years preceding the date of this Red Herring Prospectus.

None of our Directors have been or are directors on the board of any listed companies which is or has been delisted from any stock exchange(s) during his/her tenure.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Srikanth Velamakanni	December 14, 2022	Appointed as Chairman and Independent Director
Sutapa Banerjee	December 14, 2022	Appointed as Independent Director
Vikas Balia	December 14, 2022	Appointed as Independent Director
Ganapathy Subramaniam	December 13, 2022	Resigned as Executive Chairman due to pre-occupation**
Nicholas Earle Brathewaite	December 13, 2022	Resigned from directorship due to withdrawal of nomination
Sujata Vemuri	November 29, 2022	Resigned from directorship due to pre-occupation
Palepu Sudhir Rao	November 30, 2022	Resigned from directorship due to withdrawal of nomination
Matthew Cyriac	June 24, 2022*	Appointed as Non-Executive Nominee Director

* *Regularised pursuant to a resolution passed by our Shareholders on September 28, 2022.*
** *Remains on the Board as Non-Executive Nominee Director.*

Borrowing Powers

In accordance with our Articles of Association and the applicable provisions of the Companies Act, 2013, and pursuant to the resolution passed by our shareholders on February 4, 2023 and subject to the applicable laws, our Board has been authorised to borrow sums of money which, together with the monies borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) shall not at any time in aggregate exceed ₹ 10,000.00 million for our Company and ₹ 20,000.00 million for our Company and our Subsidiary taken together.

Corporate Governance

As on the date of this Red Herring Prospectus, there are eight Directors on our Board comprising three Executive Directors, two Non-Executive Nominee Directors and three Independent Directors, including one woman Director. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) Risk Management Committee.

Audit Committee

The Audit Committee was constituted by a resolution of the Board dated December 14, 2022. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises of:

The members of the Audit Committee are:

S. No.	Name of Director	Designation	Committee Designation
1.	Vikas Balia	Independent Director	Chairperson
2.	Sutapa Banerjee	Independent Director	Member
3.	Mathew Cyriac	Non-Executive Nominee Director	Member

The Company Secretary shall act as the secretary to the Audit Committee.

Terms of Reference for the Audit Committee:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;
(2) to seek information from any employee;
(3) to obtain outside legal or other professional advice;
(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
(5) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to our Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the Board of Directors for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to

a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
b. changes, if any, in accounting policies and practices and reasons for the same;

c. major accounting entries involving estimates based on the exercise of judgment by management;

d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with listing and other legal requirements relating to financial statements;

f. disclosure of any related party transactions; and

g. modified opinion(s) in the draft audit report.

(5) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(9) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(10) scrutiny of inter-corporate loans and investments;

(11) valuation of undertakings or assets of the Company and appointing a registered valuer in terms of Section 247 of the Companies Act, 2013, wherever it is necessary;

(12) evaluation of internal financial controls and risk management systems;

(13) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(14) 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;

(15) discussion with internal auditors of any significant findings and follow-up thereon;

(16) 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;

(17) 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;

(18) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(19) reviewing the functioning of the whistle blower mechanism;

(20) monitoring the end use of funds through public offers and related matters;

(21) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(22) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(23) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and

(24) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(25) formulating, reviewing and making recommendations to the Board to amend the terms of reference of Audit Committee from time to time;

(26) reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively

(27) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws, as and when amended from time to time, or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties."

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:

a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;

b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

- The financial statements, in particular, the investments made by any unlisted subsidiary; and
- Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by the Board on December 14, 2022. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises of:

The members of the Nomination and Remuneration Committee are:

S. No.	Name of Director	Designation	Committee Designation
1.	Sutapa Banerjee	Independent Director	Chairperson
2.	Srikanth Velamakanni	Chairman and Independent Director	Member
3.	Mathew Cyriac	Non-Executive Nominee Director	Member

Terms of Reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");
- 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.

- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director), its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- Recommend to the board, all remuneration, in whatever form, payable to senior management;

- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:

  (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

  (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

  (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

  (a) administering the employee stock option plans of the Company, as may be required;

  (b) determining the eligibility of employees to participate under the employee stock option plans of the Company;

  (c) granting options to eligible employees and determining the date of grant;

  (d) determining the number of options to be granted to an employee;

  (e) determining the exercise price under the employee stock option plans of the Company; and

  (f) construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.

- frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

  (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

- carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated December 14, 2022, in compliance with Section 178 and any other applicable law of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises of:

The members of the Stakeholders' Relationship Committee are:

S. No.	Name of Director	Designation	Committee Designation
1.	Mathew Cyriac	Non-Executive Nominee Director	Chairperson
2.	Vikas Balia	Independent Director	Member
3.	Ankit Mehta	Chief Executive Officer and Whole-Time Director	Member

Terms of Reference for the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- approve requests for transposition, deletion, consolidation, sub-division, change of name etc. of shares, debentures and other securities;
- to dematerialize or rematerialize the issued shares;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

CSR Committee

The CSR Committee was constituted by a resolution of our Board dated August 22, 2022 and was recently re-constituted by a resolution of our Board dated December 14, 2022 and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act 2013. The CSR Committee currently comprises of:

The members of the CSR Committee are:

S. No.	Name of Director	Designation	Committee Designation
1.	Rahul Singh	Vice President-Engineering and Whole-Time Director	Chairperson
2.	Ganapathy Subramaniam	Non-Executive Nominee Director	Member

S. No.	Name of Director	Designation	Committee Designation
3.	Vikas Balia	Independent Director	Member

Terms of Reference for the CSR Committee:

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

(a) Formulate and recommend to the Board, a '***Corporate Social Responsibility Policy***' which shall indicate amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, as amended and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) Review and recommend the amount of expenditure to be incurred on the activities referred in clause (a) and amount to be incurred for such expenditure shall be as per the applicable law;

(c) Monitor the corporate social responsibility policy of the Company and its implementation from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programme; and

(d) Any other matter as the corporate social responsibility committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated December 14, 2022. The scope and functions of the Risk Management Committee are in compliance with the Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises of:

The members of the Risk Management Committee are:

S. No.	Name of Director	Designation	Committee Designation
1.	Ganapathy Subramanium	Non-Executive Nominee Director	Chairperson
2.	Vikas Balia	Independent Director	Member
3.	Ankit Mehta	Chief Executive Officer and Whole-Time Director	Member
4.	Vipul Joshi	Chief Financial Officer	Member

Terms of Reference for the Risk Management Committee:

The role and responsibility of the Risk Management Committee shall be as follows:

1. Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;

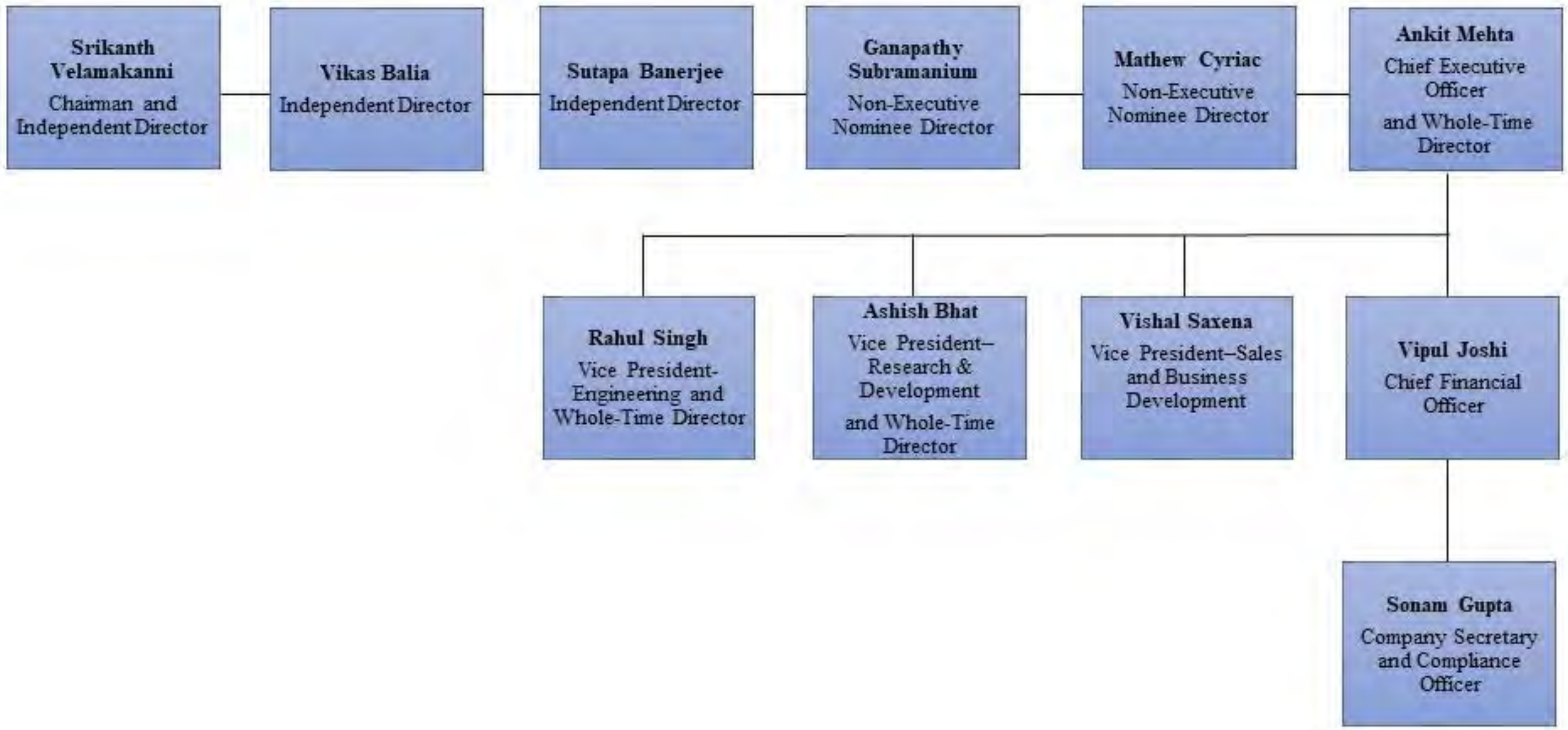
2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

5. Approve the process for risk identification and mitigation;
6. Decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
7. Monitor the Company's compliance with the risk structure;
8. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
9. Approve major decisions affecting the risk profile or exposure and give appropriate directions;
10. Consider the effectiveness of decision making process in crisis and emergency situations;
11. Generally, assist the Board in the execution of its responsibility for the governance of risk;
12. Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
13. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
14. Implement and monitor policies and/or processes for ensuring cyber security;
15. Monitor and review regular updates on business continuity; and
16. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management Organisation Structure



Key Managerial Personnel and Senior Management

Key Managerial Personnel

The details of our Key Managerial Personnel, as of the date of this Red Herring Prospectus are as follows:

In addition to our Chief Executive Officer and Whole-Time Director, Ankit Mehta, and our Whole-Time Directors Rahul Singh and Ashish Bhat, whose details are provided in '- ***Brief Profiles of our Directors***' above, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are set forth below.

Vipul Joshi is the Chief Financial Officer of our Company. He has been associated with our Company since October 21, 2008. He is responsible for handling the financial operations of our Company. He holds a bachelor of commerce (honours) accounting degree from Jai Narain Vyas University, Jodhpur and holds a master of business administration degree from the University of Business & Finance, Switzerland. He has been the Chief Financial Officer of our Company since October 15, 2022 and has experience in finance and marketing. He was previously associated with Kebee Network Systems Private Limited and Arvin Meritor Commercial Vehicle Aftermarket AG. In Fiscal 2023, Vipul Joshi received aggregate compensation of ₹ 12.46 million (which included an annual variable pay of ₹ 4.10 million for Fiscal 2022, payable in Fiscal 2023).

Vishal Saxena is the Vice President-Sales and Business Development of our Company and has been associated with our Company since February 3, 2020. In our Company, he is responsible for sales and development. He holds degree in bachelor of science and bachelor of technology from Jawaharlal Nehru University, New Delhi and post graduate programme in management from Indian School of Business, Hyderabad. He has experience in sales and development. He was previously associated with CISCO Systems (India) Private Limited and the Indian Army. In Fiscal 2023, Vishal Saxena received aggregate compensation of ₹ 17.34 million (which included an annual variable pay of ₹ 7.46 million, out of which ₹ 2.38 million for Fiscal 2022 and ₹ 5.08 million for Fiscal 2023, payable in Fiscal 2023).

Sonam Gupta is the Company Secretary and Compliance Officer of our Company and has been associated with our Company since December 15, 2022. In our Company, she is responsible for ensuring managerial and secretarial compliances. She is an associate member of the Institute of Company Secretaries of India. She was previously associated with Oriental Rail Infrastructure Limited and Bharat Wire Ropes Limited. Sonam Gupta received aggregate compensation of ₹ 0.33 million (which included an annual variable pay of ₹ 0.05 million for Fiscal 2023, payable in Fiscal 2023).

Senior Management

Except our Chief Financial Officer, Vipul Joshi, our Company Secretary and Compliance Officer, Sonam Gupta and our Vice President-Sales and Business Development, Vishal Saxena, who are also our Key Managerial Personnel and whose details have been disclosed above, there are no other Senior Management in our Company.

Status of Key Managerial Personnel and Senior Management

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are related to each other.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management

Except as disclosed above under '**- *Terms of appointment of our Executive Directors***', none of our Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company, other than the performance linked bonus that Vipul Joshi and Vishal Saxena are entitled to in accordance with their terms of appointment. Further, Vishal Saxena, the Vice President-Sales and Development of our Company, is entitled to receive sales-linked incentives on achieving certain sales targets.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as disclosed in *'**- Shareholding of our Directors in our Company**'* and other than Vipul Joshi and Vishal Saxena, none of our Key Managerial Personnel or Senior Management, hold any Equity Shares in our Company as on the date of this Red Herring Prospectus. For further details, see '***Capital Structure - Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***' on page 95.

Service Contracts with Directors and Key Managerial Personnel and Senior Management

Except as disclosed below, other than statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors or our Key Managerial Personnel or Senior Management is entitled to any benefits upon termination of employment, including under any service contract with our Company. Further, other than the respective employment agreements/appointment letters entered into by our Key Managerial Personnel or Senior Management with our Company or our Subsidiary, as the case may be, none of our Directors, Key Managerial Personnel or Senior Management have entered into a service contract/appointment letter with our Company or our Subsidiary pursuant to which they are entitled to such statutory benefits upon termination of their employment in our Company.

Our Whole-Time Directors, namely, Ankit Mehta, Rahul Singh and Ashish Bhat upon termination of their employment, are entitled to severance fees or compensation for loss of office, on the merit of the situation and as per the industry standard and as may be decided by the Nomination and Remuneration Committee or the Board.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management, which does not form part of their remuneration.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel or Senior Management of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interest of Key Managerial Personnel and Senior Management

Except as disclosed above under '***Interest of Directors***', and to the extent of the remuneration (including any variable pay or sales-linked incentives), benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management may be interested to the extent of employee stock options that may be granted to them from time to time under the ESOP 2018 and other employee stock option schemes that may be formulated by our Company from time to time.

Except as disclosed herein, none of our Key Managerial Personnel or Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in Key Managerial Personnel or Senior Management during the last three years

Except as disclosed below, there are no other changes in our Key Managerial Personnel or Senior Management during the three years immediately preceding the date of this Red Herring Prospectus are set forth below:

Name of Key Managerial Personnel	Date of Change	Reasons
Sonam Gupta	December 15, 2022	Appointment as the Company Secretary and Compliance Officer
Vishal Saxena	December 1, 2022	Redesignated as Vice President–Sales & Business Development
Ashish Bhat	December 14, 2022	Redesignated from Whole-Time Director* to the Vice President-Research & Development and Whole-Time Director
Rahul Singh	December 14, 2022	Redesignated from Whole-Time Director* to the Vice President-Engineering and Whole-Time Director
Ankit Mehta	December 1, 2022	Redesignated from Whole-Time Director* to the Chief Executive Officer and Whole-Time Director
Vipul Joshi	October 15, 2022	Redesignated as the Chief Financial Officer

** Ankit Mehta, Rahul Singh and Ashish Bhat were reappointed as the Whole-Time Directors of our Company with effect from November 15, 2019, for further details see '**Our Management - Terms of Appointment of our Executive Directors**' on page 226.*

Employee stock option and stock purchase schemes

For details of the employee stock option scheme of our Company, see '***Capital Structure – Employee Stock Option Scheme***' on page 97.

Payment or Benefit to Key Managerial Personnel and Senior Management of our Company

No non-salary related amount or benefit has been paid or given to any of our Company's officers including our Directors, Key Managerial Personnel and Senior Management within the two preceding years of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Ankit Mehta, Rahul Singh and Ashish Bhat are the Promoters of our Company.

As on the date of this Red Herring Prospectus, our Promoters, who are also Equity Shareholders, hold in aggregate 10,817,264 Equity Shares, which constitutes 28.39% of the issued, subscribed and paid-up Equity Share capital of our Company. Except Ravi Bhagavatula and Sujata Vemuri, none of the members of our Promoter Group hold any Equity Shares as on the date of this Red Herring Prospectus.

For details on shareholding of our Promoters in our Company, see '***Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution) - Build-up of Promoter's shareholding in our Company***' on page 89. Further for details on shareholding of the members of our Promoter Group in our Company, see '***Capital Structure - History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution) - Shareholding of our Promoters and the member of our Promoter Group***' on page 91.

Details of our Promoters

Ankit Mehta

Ankit Mehta, born on February 14, 1983, aged 40 years, is our Promoter, Chief Executive Officer and Whole-Time Director. He is a resident of Flat No G-426, 4th Floor, Maple Leaf CHS Ltd, Raheja Vihar Complex, Chandivali, Mumbai, Maharashtra 400 072. For the complete profile of Ankit Mehta, along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, see '***Our Management***' on page 222.

The permanent account number of Ankit Mehta is ALTPM6313J.

Rahul Singh

Rahul Singh, born on October 1, 1984, aged 38 years, is our Promoter, Vice President–Engineering and Whole-Time Director. He is a resident of 1002/ Tower-5/ Emerald Isle, Saki Vihar Road, L and T Powai, Powai, Mumbai, Maharashtra 400 072. For the complete profile of Rahul Singh along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, see '***Our Management***' on page 222.

The permanent account number of Rahul Singh is BGUPS0260B.

Ashish Bhat

Ashish Bhat, born on September 13, 1983, aged 39 years, is our Promoter, Vice President–Research & Development and Whole-Time Director. He is a resident of Flat 1301, Floor 13, Wing 7 Saki Vihar Road, Emerald Isle Tower 7, Next to L T Business Park, Powai, Mumbai, Maharashtra 400 072. For the complete profile of Ashish Bhat along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, see '***Our Management***' on page 222.

The permanent account number of Ashish Bhat is ALCPB6071D.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhar card number and driving licence number, as applicable, of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in the section '***Our Management***' on page 222, our Promoters are not involved in any other ventures.

Change in the management and control of our Company

There has been no change in the control of our Company in the last five years.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and hold Equity Shares in our Company and to the extent of any dividend and distribution declared thereon, if any. For details of the shareholding of our Promoters in our Company, see '***Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution) - Build-up of Promoter's shareholding in our Company***' on page 89. Our Promoters, who are also Directors and Key Managerial Personnel, may be deemed to be interested to the extent of their remuneration/fees, benefits and reimbursement of expenses, payable to them, if any. For further details, see '***Our Management - Interest of Directors***' and ***Restated Consolidated Financial Information – Note 35 Related Party Transactions***' on pages 228 and 315, respectively.

Our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Red Herring Prospectus, or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, 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 our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payments or benefits to our Promoters or members of our Promoter Group

Except in ordinary course of business and as disclosed in, '***Our Management***' and '***Restated Consolidated Financial Information – Note 35 Related Party Transactions***' on pages 222 and 315, respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group.

Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the companies our Promoters are associated with or companies promoted by any of them, have been delisted or suspended in the past.

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Common Pursuits

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Material Guarantees to third parties with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Red Herring Prospectus.

Disassociation by our Promoters in the three immediately preceding years

Except as stated below, our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of this Red Herring Prospectus.

Name of Company or firm from which Promoters have disassociated	Reasons and circumstances leading to the disassociation	Date of disassociation
Rahul Singh		
Chougain Infrastructures Private Limited	Transferred all the shares held	January 31, 2023

Promoter Group

Apart from our Promoters, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

A. *Natural persons who are part of the Promoter Group*

The natural persons who are part of the Promoter Group, other than our individual Promoters, are as follows:

(a) Immediate relatives of our Promoters

Name of Promoter	Name of relative	Relationship
Ankit Mehta	Arun Mehta	Father
	Manju Mehta	Mother
	Rukmani Sah Mehta	Spouse
	Priyanka Mohnot	Sister
	Aarini Sah Mehta	Daughter
	Sadhana Sah	Spouse's mother
Rahul Singh	Ranjeet Singh	Father
	Asha Singh	Mother
	Neha Chauhan	Spouse
	Rohit Singh	Brother
	Rishi Pal Singh	Spouse's father
	Nirupma Singh	Spouse's mother
	Jatin Singh	Spouse's brother
	Tarun Singh Chauhan	Spouse's brother
	Varnika Singh	Spouse's sister
Ashish Bhat	Ramesh Bhat	Father
	Indu Bhat	Mother
	Esha Wali	Spouse
	Neha Bhat	Sister
	Ashwani Wali	Spouse's father
	Leena Wali	Spouse's mother
	Krisha Wali	Spouse's sister

(b) In addition to the individuals mentioned above, persons whose shareholding is aggregated under the shareholding of the promoter group are Ravi Bhagavatula and Sujata Vemuri. For further details, see *'**Capital Structure - History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution) - Shareholding of our Promoters and the member of our Promoter Group**'* on page 91.

B. Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Alphaimmensus Financial Technology (OPC) Private Limited;
2. Chougain Infrastructures Private Limited;
3. Gautam Buddh Nagar Rural Development Private Limited;
4. Mahakal Centre for Excellence Private Limited;
5. One Alpha Project LLP; and
6. Hotel Evelyn.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under the applicable accounting standards, i.e., Ind AS 24, read with the SEBI ICDR Regulations, for the Fiscals 2023, 2022, and 2021, see '***Restated Consolidated Financial Information – Note 35 Related Party Transactions***' on page 315. For a summary of the related party transactions for the Fiscals 2023, 2022, and 2021, see '***Summary of the Offer Document – Summary of Related Party Transactions***' on page 23.

DIVIDEND POLICY

The dividend distribution policy of our Company was approved and adopted by our Board on December 14, 2022 ("**Dividend Policy**"). In terms of the Dividend Policy, the declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws including the Companies Act, read with the rules notified thereunder, each as amended.

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 to, earning stability, past dividend trends, free cashflow for the period under consideration, debt repayment obligations, profitability of our Company during the period under consideration and external factors, including but not limited to the macro-economic environment, market conditions, prevailing legal requirements and regulatory conditions or restrictions laid down under the applicable laws including tax laws and industry outlook for business in which our Company operates. Additionally, we may retain all our future earnings, if any, for any proposed or ongoing or planned business expansion or for any other purposes which may be considered by the Board subject to compliance with the provisions of the Companies Act. In addition, the ability of our Company to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our funding requirements for our business activities. For details in relation to risks involved in this regard, see '***Risk Factors – 48. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***' and '***Financial Indebtedness***' on pages 51 and 370, respectively.

Our Company has not declared any dividends in the preceding three Fiscals and until the date of this Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
ideaForge Technology Limited *(formerly known as ideaForge Technology Private Limited)*
Plot EL-146, TTC Industrial Area Electronic Zone MIDC,
Mahape Navi Mumbai 400 710,
Thane Maharashtra, India

Dear Sirs,

1. We B S R & Co. LLP, Chartered Accountants ("**we**" or "**us**" or "**B S R**") have examined the attached Restated Consolidated Financial Information of ideaForge Technology Limited *(formerly known as ideaForge Technology Private Limited)* (the "**Company**" or the "**Issuer**") and its subsidiary (the Company and its subsidiary together referred to as the "**Group**") as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, 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 for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 29 May 2023 for the purpose of inclusion in the Red Herring Prospectus ("**RHP**") prepared by the Company in connection with its proposed initial public offer of equity shares of face value of ₹ 10 each comprising a fresh issue of equity shares and an Offer for Sale of Equity Shares held by the selling shareholders (the "**Offer**") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**");
   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**"); and
   d) E-mail dated 28 October 2021 from Securities and Exchange Board of India ("**SEBI**") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the "the SEBI e-mail").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India and the Registrar of Companies, Maharashtra at Mumbai, in connection with the proposed Offer. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 .1 to the Restated Consolidated Financial Information. The responsibilities of 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, SEBI ICDR Regulations and the Guidance Note and the SEBI e-mail.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 December 2022 in connection with the proposed Offer of equity shares of the Company;
   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act, the SEBI ICDR Regulations and the SEBI e-mail.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note and the SEBI e-mail in connection with the Offer.

4. These Restated Consolidated Financial Information have been compiled by the management from:
   a) Audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2023 prepared in accordance with Indian Accounting Standards ("**Ind AS**") as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 29 May 2023.
   b) As at and for the years ended 31 March 2022 and 31 March 2021:
   From the audited special purpose Ind AS financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021, which were prepared by the Company in response to the requirements of the SEBI e-mail and were approved by the Board of Directors at their Board meeting held on 3 February 2023. The audited special purpose Ind AS financial statements as at and for the years ended 31 March 2022 and 31 March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 1 April 2021 and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023.
   c) As at and for the years ended 31 March 2022 and 31 March 2021: From the audited financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021 prepared in accordance with Indian GAAP which were approved by the Board of Directors in their meetings held on 4 September 2022 and 8 September 2021 respectively.

5. For the purpose of our examination, we have relied on:
   a) Auditor's report issued by us dated 29 May 2023 on the Audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2023.
   b) Auditor's reports issued by us dated 3 February 2023 on the audited Special Purpose Ind AS financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021 as referred in Paragraph 4 (b) above. These audited special purpose Ind AS financial statements are prepared in accordance with basis of preparation as referred to Note 1.1 of the audited special purpose Ind AS financial statements for the years ended 31 March 2022 and 31 March 2021.
   The auditor's report on the audited special purpose Ind AS financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021 included the following Emphasis of Matter paragraph (as referred in Annexure VI of the Restated Consolidated Financial Information):
   As explained therein, these special purpose Ind AS financial statements have been prepared by the Company in response to the requirements of the e-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the "the SEBI e-mail") for submission to SEBI. Accordingly, the attached special purpose Ind AS financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

6. As indicated in our audit reports referred above:
   We did not audit the financial statements of the subsidiary included in the Group as at and for the year ended 31 March 2023, whose financial statements reflect total assets, total revenues and total cash flows included in the Audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2023 as tabulated below. These financial statements are unaudited, and as per our opinion, insofar as it relates to the amounts included in respect of such subsidiary, is based solely on the management representation. In our opinion and according to the information and explanation given to us by the Management, this financial statement and other financial information is not material to the Group.
   Our opinion on the Audited consolidated Ind AS financial statements is not modified in respect of this matter.

(Rs in million)

Particulars	As at and for the year ended 31 March 2023
Total assets	Nil
Total revenues	Nil
Total cash flows	Nil

7. 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 2023, 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023;

    b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2020/ 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 Annexure VI to the Restated Consolidated Financial Information; and
    c) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note, and the SEBI e-mail.

8. We have not audited any financial statements of the Group as of any date or for any period subsequent to 31 March 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to 31 March 2023.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated Ind AS financial statements as mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the RHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India and the Registrar of Companies, Maharashtra at Mumbai, in connection with the proposed Offer. 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 23108511BGYYGK4183

Mumbai
29 May 2023

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - I
RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in INR Millions, unless other wise stated)

Particulars	Note No.	March 31, 2023	March 31, 2022	March 31, 2021
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	4	81.78	22.22	8.81
Right -of- use Assets	5	155.63	108.00	5.10
Capital Work-in-Progress	4	34.09	-	-
Other Intangible Assets	6	249.62	131.85	115.81
Intangible Assets Under Development	6A	215.10	190.88	142.23
Financial Assets				
(i) Investments	7A	10.00	-	-
(ii) Other Financial Assets	7C	231.73	301.34	139.46
Deferred Tax Assets (Net)	14	52.16	18.88	1.01
Non-Current Tax Assets (Net)	13	11.27	11.27	10.64
Other Non-Current Assets	12	0.99	2.74	0.29
Total Non-Current Assets		**1,042.37**	**787.18**	**423.35**
Current assets				
Inventories	8	1,046.82	489.14	234.20
Financial Assets				
(i) Investments	7A	1,240.76	106.50	-
(ii) Trade Receivables	9	578.16	203.07	237.50
(iii) Cash and cash equivalents	10	45.04	304.16	52.59
(iv) Bank Balances other than cash and cash equivalents	11	19.93	46.62	88.72
(v) Loans	7B	0.85	0.61	0.44
(vi) Other Financial Assets	7C	393.46	46.56	74.80
Other Current Assets	12	511.91	239.47	125.81
Total Current Assets		**3,836.93**	**1,436.13**	**814.06**
TOTAL ASSETS		**4,879.30**	**2,223.31**	**1,237.41**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	15	213.37	0.89	0.89
Instruments entirely equity in nature	15	0.67	0.38	0.38
Other Equity	16	3,033.17	1,631.76	596.21
Total Equity		**3,247.21**	**1,633.03**	**597.48**
Liabilities				
Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	17	-	-	377.81
(ii) Lease Liabilities	21	112.73	94.51	-
Provisions	22	25.07	23.96	19.03
Total Non-Current Liabilities		**137.80**	**118.47**	**396.84**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	17	865.04	56.76	127.93
(ii) Lease Liabilities	21	27.82	12.47	4.62
(iii) Trade Payables	19			
(A) total outstanding dues of micro enterprises and small enterprises; and		46.09	23.66	18.71
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		93.80	51.28	28.75
(iv) Other Financial Liabilities	18	51.01	54.76	49.52
Other Current Liabilities	20	280.92	208.50	6.39
Provisions	22	63.36	55.49	7.17
Current Tax Liabilities (Net)	23	66.25	8.89	-
Total Current Liabilities		**1,494.29**	**471.81**	**243.09**
TOTAL EQUITY AND LIABILITIES		**4,879.30**	**2,223.31**	**1,237.41**

The above Annexure should be read together with basis of preparation and significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached
For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla
Partner

Membership No: 108511

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors of
ideaForge Technology Limited (Formerly known as ideaForge Technology Private Limited)

CIN : U31401MH2007PLC167669

Ankit Mehta
Chief Executive Officer and Whole Time Director
DIN: 02108289

Rahul Singh
Whole Time Director
DIN: 02106568

Vipul Joshi
Chief Financial Officer

Sonam Gupta
Company Secretary
Membership No: A53881

Place: Mumbai
Date: May 29, 2023

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - II
RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amount in INR Millions, unless other wise stated)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
INCOME				
Revenue from operations	24	1,860.07	1,594.39	347.18
Other income	25	103.95	20.09	16.17
Total Income		**1,964.02**	**1,614.48**	**363.35**
EXPENSES				
Cost of materials consumed	26	957.38	513.90	220.99
Changes in inventories of finished goods and work-in-progress	27	(368.80)	(101.69)	(37.96)
Employee benefits expense	28	509.13	268.53	192.49
Finance costs	29	48.35	176.70	16.72
Depreciation and amortisation expense	30	118.58	72.84	35.81
Other expenses	31	291.43	182.43	80.34
Total Expenses		**1,556.07**	**1,112.71**	**508.39**
Profit before exceptional items and tax		**407.95**	**501.77**	**(145.04)**
Exceptional Items		-	-	-
Profit/(Loss) before tax		**407.95**	**501.77**	**(145.04)**
Tax expense/(credit) :				
Current tax		121.31	79.68	-
Deferred tax (credit) / expense		(33.24)	(17.97)	1.22
Total tax expense		**88.07**	**61.71**	**1.22**
Profit/(Loss) for the year (A)		**319.88**	**440.06**	**(146.26)**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss :				
Remeasurement of gains/(losses) on defined benefit plans		(0.16)	0.40	0.75
Income tax relating to items that will not be reclassified to profit or loss		0.04	(0.10)	(0.24)
Other Comprehensive income for the year, net of tax (B)		**(0.12)**	**0.30**	**0.51**
Total Comprehensive Income for the year (A+B) / (Comprising Profit (Loss) and Other Comprehensive Income for the year) Attributable to:		**319.76**	**440.36**	**(145.75)**
Owners of the parent		**319.76**	**440.36**	**(145.75)**
Non-controlling interests		**-**	**-**	**-**
Earnings per equity share ('EPS') (Face value of INR 10 each)	32			
Basic EPS (INR)		8.55	13.84	(5.03)
Diluted EPS (INR)		8.12	13.13	(5.03)

The above Annexure should be read together with basis of preparation and significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
ideaForge Technology Limited (Formerly known as ideaForge Technology Private Limited)
CIN : U31401MH2007PLC167669

Mansi Pardiwalla
Partner
Membership No: 108511

Ankit Mehta
Chief Executive Officer and Whole Time Director
DIN: 02108289

Rahul Singh
Whole Time Director
DIN: 02106568

Vipul Joshi
Chief Financial Officer

Sonam Gupta
Company Secretary
Membership No: A53881

Place: Mumbai
Date: May 29, 2023

Place: Mumbai
Date: May 29, 2023

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - III
RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amount in INR Millions, unless other wise stated)

A Equity Share Capital
ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Equity shares

Particulars	Equity shares of INR 10 each, fully paid up		Equity shares of INR 10 each, INR 1 partly paid up		Total	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At March 31, 2021	**88,930**	**0.89**	**1,100**	**0.00**	**90,030**	**0.89**
Shares Issued during the year	**470**	**0.00**	**-**	**-**	**470**	**0.00**
At March 31, 2022	**89,400**	**0.89**	**1,100**	**0.00**	**90,500**	**0.89**
Shares Issued during the year	2,12,46,736	212.47	-	-	2,12,46,736	212.47
Converted to equity share capital	1,428	0.01	**(1,100)**	(0.00)	328	0.01
At March 31, 2023	**2,13,37,564**	**213.37**	**-**	**-**	**2,13,37,564**	**213.37**

B Instruments Entirely Equity In Nature

(i) Series A1 0.01% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, 1 partly paid-up.

Particulars	Balance at the Beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2021					
Number of shares	**328**	**-**	**328**	**-**	**328**
Amount	**0.00**	**-**	**0.00**	**-**	**0.00**
March 31, 2022					
Number of shares	**328**	**-**	**328**	-	**328**
Amount	**0.00**	**-**	**0.00**	-	**0.00**
March 31, 2023					
Number of shares	**328.00**	**-**	**328**	**(328)**	**-**
Amount	**0.00**	**-**	**0.00**	(0.00)	**-**

(ii) Series A 0.001% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid-up.

Particulars	Balance at the Beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2021					
Number of shares	**38,145**	**-**	**38,145**	**-**	**38,145**
Amount	**0.38**	**-**	**0.38**	**-**	**0.38**
March 31, 2022					
Number of shares	**38,145**	**-**	**38,145**	-	**38,145**
Amount	**0.38**	**-**	**0.38**	-	**0.38**
March 31, 2023					
Number of shares	**38,145**	**-**	**38,145**		**38,145**
Amount	**0.38**	**-**	**0.38**		**0.38**

ANNEXURE - III

RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amount in INR Millions, unless other wise stated)

(iii) Series B Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each, fully paid up.

Particulars	Balance at the Beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2021					
Number of shares	-	-	-	-	-
Amount	-	-	-	-	-
March 31, 2022					
Number of shares	-	-	-	-	-
Amount	-	-	-	-	-
March 31, 2023					
Number of shares	-	-	-	10,079	**10,079**
Amount	-	-	-	0.10	**0.10**

(iv) Series B1 Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each, fully paid up.

Particulars	Balance at the Beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2021					
Number of shares	-	-	-	-	-
Amount	-	-	-	-	-
March 31, 2022					
Number of shares	-	-	-	-	-
Amount	-	-	-	-	-
March 31, 2023					
Number of shares	-	-	-	19,018	**19,018**
Amount	-	-	-	0.19	**0.19**

B . Other Equity

Particulars	Reserves and Surplus					Other comprehensive income	Equity component of compound financial instruments	Money received against share warrant	Total Other Equity
	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earnings	Share Based Payment Reserve				
As at April 1, 2020	**890.12**	**5.00**	**-**	**(244.08)**	**29.42**	**(0.56)**	**-**	**-**	**679.90**
Restated balances as at March 31, 2020	**890.12**	**5.00**	**-**	**(244.08)**	**29.42**	**(0.56)**	**-**	**-**	**679.90**
(Loss) for the year	-			(146.26)	-	-	-	-	**(146.26)**
Other comprehensive income for the year	-			-	-	0.51	-	-	**0.51**
Sub Total	890.12	5.00	-	(390.34)	**29.42**	**(0.05)**	-	-	**534.15**
Issue of equity shares on exercise of employee stock options	5.47	-	-	-	(5.47)	-	-		**-**
Employee compensation expense for the year	-	-	-	-	62.06	-	-	-	**62.06**
As at March 31, 2021	**895.59**	**5.00**	**-**	**(390.34)**	**86.01**	**(0.05)**	**-**	**-**	**596.21**
Restated balances as at March 31, 2021	**895.59**	**5.00**	**-**	**(390.34)**	**86.01**	**(0.05)**	**-**	**-**	**596.21**
Profit for the year	-	-	-	440.06	-	-	-	-	**440.06**
Other comprehensive income for the year	-	-	-		-	0.30	-	-	**0.30**
Sub Total	**895.59**	**5.00**	**-**	**49.72**	**86.01**	**0.25**	**-**	**-**	**1,036.57**
Issue of equity shares on exercise of employee stock options	7.11	-	-	-	(7.11)	-	-	-	**-**
Share warrant application money received during the year	-	-	-	-	-	-	-	0.03	**0.03**
Fair value gain/loss on financial liability measured at FVTPL.	-	-	-	-	-	-	-	-	-
Transfer from compulsory convertible debentures to compulsory convertible preference shares		-	-	-	-	-	528.67	-	**528.67**
Transferred to General Reserve	-	(5.00)	5.00	-	-	-	-	-	-
Employee compensation expense for the year	-	-	-	-	66.49	-	-	-	**66.49**
As at March 31, 2022	**902.70**	**-**	**5.00**	**49.72**	**145.39**	**0.25**	**528.67**	**0.03**	**1,631.76**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)

ANNEXURE - III

RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amount in INR Millions, unless other wise stated)

Restated balances as at March 31, 2022	**902.70**	**-**	**5.00**	**49.72**	**145.39**	**0.25**	**528.67**	**0.03**	**1,631.76**
Profit for the year	-	-	-	**319.88**	-	-	-	-	**319.88**
Other comprehensive income for the year	-	-	-		-	(0.12)	-	-	**(0.12)**
Sub Total	**902.70**	**-**	**5.00**	**369.60**	**145.39**	**0.13**	**528.67**	**0.03**	**1,951.52**
Issue of equity shares on exercise of employee stock options	118.48	-	-	-	(118.48)	-	-	-	**-**
Miscellaneous Income								**(0.03)**	**(0.03)**
Securities premium on preference shares issued	985.52	-	-	-	-	-	-	**-**	**985.52**
Securities premium on conversion of compulsorily convertible debenture to compulsorily convertible preference shares	528.57	-	-	-	-	-	(528.57)	**-**	**-**
Securities premium on conversion of Partly paid equity shares to fully paid equity shares	20.32	-	-	-	-	-	-	**-**	**20.32**
Add : Securities premium on conversion of Partly paid compulsorily convertible preference shares to fully paid equity shares	5.98	-	-	-	-	-	(0.10)	**-**	**5.88**
Securities premium on conversion of warrants to fully paid equity shares	13.47	-	-	-	-	-	-	**-**	**13.47**
Issue of bonus equity shares 1:225	(212.41)	-	-	-	-	-	-	**-**	**(212.41)**
Expenses incurred directly in connection with issue of CCPS	(8.09)	-	-	-	-	-	-	**-**	**(8.09)**
Employee compensation expense for the year	-	-	-	-	276.99	-	-	-	**276.99**
									-
As at March 31, 2023	**2,354.54**	**-**	**5.00**	**369.60**	**303.90**	**0.13**	**0.00**	**-**	**3,033.17**

Note - INR 0.00 denotes amount less than INR 5000.00

Refer Note No.16 for nature and purpose of reserves

The above Statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
ideaForge Technology Limited (Formerly known as ideaForge Technology Private Limited)
CIN : U31401MH2007PLC167669

Mansi Pardiwalla
Partner
Membership No: 108511

Ankit Mehta
Chief Executive Officer and Whole Time Director
DIN: 02108289

Rahul Singh
Whole Time Director
DIN: 02106568

Vipul Joshi
Chief Financial Officer

Sonam Gupta
Company Secretary
Membership No: A53881

Place: Mumbai
Date: May 29, 2023

Place: Mumbai
Date: May 29, 2023

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - IV
RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amount in INR Millions, unless other wise stated)

Particulars	2022-23	2021-22	2020-21
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(Loss) before tax :	**407.95**	**501.77**	**(145.04)**
Adjustments for:			
Depreciation and Amortisation Expense	118.58	72.84	35.81
Interest on micro enterprise and small enterprises (MSME)	0.72	1.15	-
Changes in fair value of financial assets at fair value through profit or loss	(21.33)	(3.05)	0.03
Allowance for bad and doubtful debts	4.24	5.56	(2.03)
Finance Costs	48.35	176.70	16.72
Foreign Exchange Fluctuation (Gain)/Loss	(3.65)	0.41	0.31
Interest on Fixed Deposit	(31.15)	(16.50)	(11.25)
Interest Others	(20.11)	-	-
Dividend	-	-	(1.38)
Fair value income on security deposit (lease)	(0.78)	(0.19)	(0.19)
Employee share-based payment expense	276.99	62.78	58.88
Net gain on sale of PPE	-	(0.19)	-
Gain on waiver of lease liability	-	-	(0.60)
Change in Operating Assets and Liabilities:			
Adjustments for (increase) / decrease in operating assets:			
(Increase) / Decrease in Inventories	(557.68)	(254.94)	(125.65)
(Increase) / Decrease in Trade Receivables	(379.33)	28.87	(134.32)
(Increase)/Decrease in other financial assets	(185.47)	(9.24)	0.01
(Increase)/Decrease in other non -current/current assets	(270.69)	(116.10)	(79.26)
(Increase)/Decrease in Loan	(0.24)	(0.16)	(0.02)
Adjustments for increase / (decrease) in operating liabilities:			
Increase/(Decrease) in Trade Payables	67.88	25.92	38.93
Increase/(Decrease) in Provisions	8.83	53.64	7.53
(Decrease)/Increase in Other Financial Liabilities	(3.74)	5.24	31.49
(Decrease)/Increase in Other Current/Non Current Liabilities	72.42	202.11	1.44
Cash Generated from Operations	**(468.21)**	**736.62**	**(308.59)**
Less: Direct taxes (paid)/refunded	(64.09)	(71.42)	0.46
Net cash generated from/(used in) from Operating Activities	**(532.30)**	**665.20**	**(308.13)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(330.96)	(134.77)	(89.79)
Investment in mutual funds (net)	(1,092.81)	(103.46)	119.01
Investment in Equity instrument	(10.00)	-	-
Proceed from sale of property, plant and equipment	-	0.23	-
Investments in fixed deposits (net)	(85.67)	(92.87)	(112.98)
Dividends received	-	-	1.38
Interest Received	30.36	23.25	14.35
Net cash (used in)/generated from investing activities	**(1,489.08)**	**(307.62)**	**(68.03)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of preference share including security	1,025.29	-	-
Expenses incurred directly in connection with issue of compulsorily convertible preference shares	(8.09)	-	-
Proceeds from issue of share warrants	-	0.03	-
Proceeds from Issue of Equity Shares		0.00	0.00
Repayment of unsecured loan	(56.52)	-	-
Repayment of short term secured bank loan	(0.24)	(77.83)	(0.31)
Repayment of long term secured debentures	-	(150.00)	-
Proceeds from long term secured bank loan		240.00	-
Repayment of long term secured bank loan		(240.00)	-
Repayment loan NBFC borrowings	-	(150.00)	-
Proceed from compulsorily convertible debenture	-	124.99	297.95
Proceeds from issue of unsecured debentures	-	-	150.00
Proceeds from long term NBFC borrowings	-	150.00	-
Proceeds from short term secured bank loan	343.54	77.50	0.47
Proceeds from overdraft facility from bank	521.50	-	-
Proceeds from unsecured loan		56.52	-
Repayment of overdraft facility of bank	-	(52.60)	-
Interest paid	(38.64)	(72.86)	(11.56)
Payment of Lease Liability	(24.58)	(11.76)	(8.70)
Net cash generated from/ (used in) financing activities	**1,762.26**	**(106.01)**	**427.85**
Net (decrease)/increase in cash and cash equivalents	**(259.12)**	**251.57**	**51.69**
Cash and cash equivalents - Opening balance	**304.16**	**52.59**	**0.90**
Effects of exchange rate changes on Cash and Cash Equivalents			
Cash and cash equivalents - closing balance	**45.04**	**304.16**	**52.59**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - IV
RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amount in INR Millions, unless other wise stated)

Components of cash and cash equivalents :			
Cash on hand	0.35	0.18	0.19
Balance with banks :			
In Current accounts	6.35	153.98	12.60
In deposits with original maturity of less than three months	19.90	150.00	19.90
Deposits with banks to the extent held as margin money	18.44	-	19.90
Total cash and cash equivalents (Refer Note No.10)	**45.04**	**304.16**	**52.59**
Cash and cash equivalents for Statement of Cash flows	**45.04**	**304.16**	**52.59**

The above restated consolidated statement of cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities :

Particulars	March 31, 2020	Cash flows	Non-cash changes
Long term borrowing (including current maturities)	**0.87**	**447.65**	**4.62**
Loan repayable on demand	**52.13**	**0.47**	**-**
Lease Liabilities	**13.08**	**(8.70)**	**0.24**
Other borrowing (specify)	**-**	**-**	**-**
	66.08	**439.42**	**4.86**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities :

Particulars	March 31, 2021	Cash flows	Non-cash changes
Long term borrowing (including current maturities)	**453.14**	**(150.33)**	**(302.57)**
Loan repayable on demand	**52.60**	**(52.60)**	**-**
Lease Liabilities	**4.62**	**(11.76)**	**114.12**
Other borrowing (specify)	**-**	**56.52**	**-**
	510.36	**(158.17)**	**(188.45)**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities :

Particulars	March 31, 2022	Cash flows	Non-cash changes
Long term borrowing (including current maturities)	**0.24**	**(0.24)**	**-**
Loan repayable on demand	**-**	**-**	**-**
Lease Liabilities	**106.98**	**(24.58)**	**58.16**
Other borrowing (specify)	**56.52**	**808.52**	**-**
	163.74	**783.71**	**58.16**

Non-cash movement represents:
- With respect to long-term borrowings, accrual of interest on liability component of compulsory convertible debenture instrument and reclassification of such compulsory convertible debentures to Instrument entirely equity in nature.
- With respect to leases, accrual of interest on lease liabilities.

The above Statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

Note - INR 0.00 denotes amount less than INR 5000.00

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No: 108511

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors of
ideaForge Technology Limited (Formerly known as ideaForge Technology Private Limited)

CIN : U31401MH2007PLC167669

Ankit Mehta
Chief Executive Officer and Whole Time Director
DIN: 02108289

Rahul Singh
Whole Time Director
DIN: 02106568

Vipul Joshi
Chief Financial Officer

Sonam Gupta
Company Secretary
Membership No: A53881

Place: Mumbai
Date: May 29, 2023

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -V
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

1 CORPORATE INFORMATION

ideaForge Technology Limited (Formerly known as ideaForge Technology Private Limited)('the Holding Company') was incorporated on February 8, 2007 having its registered office at Navi Mumbai, Mumbai, Maharashtra, India.The Holding Company is primarily engaged in the business of designed, developed, manufacturing and marketing of Unmanned Aerial Vehicle ("UAV") systems which are used for security and surveillance. The ancillary business of providing training and maintenance service evolve around the main business of manufacture and marketing of UAV systems.

Subsequent to year ended March 31, 2022, the Holding company has changed its name from ideaForge Technology Private Limited to ideaForge Technology Limited based on the approval from Registrar of Companies, Maharashtra and accordingly it has become a public limited company.

The Restated Consolidated Financial Information comprise the restated consolidated financial information of the Holding Company and its subsidiary (referred to collectively as the “Group”)

Subsidiary

Name of Company	Country of incorporation	Principle activity	Proportion (%) of equity interest As at March 31, 2023
ideaForge Technology Inc. (incorporated on September 6, 2022)	USA	Selling, Marketing and distribution of Unmanned Aerial Vehicles	100%

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

A STATEMENT OF COMPLIANCE

The restated consolidated financial information of the Group comprise the Restated Consolidated Balance Sheet as at March 31 2023, March 31 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary of significant accounting policies and explanatory notes (collectively, the ‘Restated Consolidated Financial Information’).

These Restated Consolidated Financial Information have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Red Herring Prospectus (‘RHP’) in connection with the proposed initial public offering of equity shares of face value of Rs. 10 each of the Holding Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the “Offer”), prepared by the Holding Company in terms of the requirements of:

(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;
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

The Restated Consolidated Financial Information of the Group have been prepared to comply in all material respects with the Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Act.

The Restated Consolidated Financial Information has been compiled by the Group from:
1. Audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2023 prepared in accordance with Indian Accounting Standards (“Ind AS”)as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on May 29, 2023.

2. As at and for the years ended 31 March 2022 and 31 March 2021: From the audited special purpose Ind AS financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021, which were prepared by the Company in response to the requirements of the SEBI e-mail and were approved by the Board of Directors at their Board meeting held on 3 February 2023. The audited special purpose Ind AS financial statements as at and for the years ended 31 March 2022 and 31 March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 1 April 2021 and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023.

3. As at and for the years ended 31 March 2022 and 31 March 2021: From the audited financial statements of the Company as at and for the years ended 31 March 2022 and 31 March 2021 prepared in accordance with Indian GAAP which were approved by the Board of Directors in their meetings held on 4 September 2022 and 8 September 2021 respectively.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer to Annexure VI).

These restated consolidated financial information were approved for issue by the Holding Company’s Board of Directors on May 29, 2023.

B Basis of preparation

The accounting policies set out below have been applied consistently to the periods presented in the Restated Consolidated Financial Information.

These Restated Consolidated Financial Information have been prepared on a going concern basis.

C Basis of measurement

The Restated Consolidated Financial Information has been prepared on a historical cost convention, except for the following:
(i) Employee's defined benefit plan at fair value of plan assets less present value of defined benefit obligation determined as per actuarial valuation; and
(ii) Certain financial assets and liabilities that are qualified to be measured at fair value.

D Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non current classification.

An asset is classified as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is classified as current when it is:
- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle

E Functional and Presentation Currency

The Restated Consolidated Financial Information has been presented in Indian Rupees (Rs. or INR), which is also the Holding company's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned.

F Use of estimates, assumptions and judgements

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Restated Consolidated Financial Information and the reported amount of income and expenses for the year / period reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Restated Consolidated Financial Information is included in the following notes:

(i) Impairment test of non-financial assets and financials assets
(ii) Measurement of defined benefit obligations: key actuarial assumptions
(iii) Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
(iv) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

G Fair value measurement

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.2 Principles of consolidation

A Subsidiary

The restated consolidated financial information comprise the financial statements of the Holding Company and its subsidiary. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the restated consolidated financial information to ensure conformity with the Group's accounting policies.

The financial statements used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the restated consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the restated consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

B Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non Controlling Interest (NCI) and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in restated consolidated statement of profit and loss.

2.3 SIGNIFICANT ACCOUNTING POLICIES

(a) PROPERTY , PLANT AND EQUIPMENT

Recognition and measurement

Property, Plant and equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:
a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Capital work in progress and Capital advances

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation, Estimated useful life and Estimated residual value

Depreciation is calculated using the Written Down Value method, pro rata to the period of use, taking into account useful lives and residual value of the assets. The useful life of assets and the estimated residual value taken from those prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of leasehold improvements which are depreciated over primary lease period, which in management's opinion is reflective of economic useful lives of these assets. Useful life and residual values are reviewed by management at every balance sheet date and adjusted, if appropriate.

Tangible Asset	Useful Life
Plant and Machinery	15 years
Vehicle	8 years
Furniture and fixtures	10 years
Office equipments	5 years
Electrical equipment	10 years
Computers	3 years
Leasehold Improvement	Lower of useful life of the leasehold improvement or the lease term

Depreciation is computed with reference to cost. Depreciation on additions during the year is provided on pro rata basis with reference to month of addition/installation.

Derecognition
An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS
On transition to Ind AS, the Holding Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at April 1, 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Holding Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2021 while preparing the Restated Consolidated Financial Information for the years ended March 31, 2022 and March 31, 2021.

(b) INTANGIBLE ASSETS

Recognition and measurement
Intangible assets comprise primarily of patent,computer software and product under development. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation.

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the restated consolidated statement of profit and loss as incurred.

Amortisation
Intangible assets are amortised over their estimated useful life on Straight Line Method as follows. The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial period/year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if required.
(i) Product development : 3 Years
(ii) Software : 3 Years
(iii) Patent : 20-25 years, and in few patents 100 years

Derecognition
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS
On transition to Ind AS, the Holding Company has elected to continue with the carrying value of all the items of Intangible assets recognized as at April 1, 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. The Holding Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2021 while preparing the Restated Consolidated Financial Information for the years ended March 31, 2022 and March 31, 2021.

Intangible assets under development
Intangible assets under development includes the cost of patent, trademark and product development costs that are not ready to use at the balance sheet date. Product development costs includes employee benefits expense including employee stock option expense incurred towards research and development team, raw material consumed, testing charges, other expenses like lease, electricity and other administration and office expenses. Intangible assets under development are not depreciated as these assets are not yet available for use.

(c) IMPAIRMENT

(i) Non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Restated Consolidated Statement of Profit and Loss.

Recoverable amount is higher of an asset’s or cash generating unit’s value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the restated consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(ii) Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group recognises loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in restated consolidated statement of profit and loss.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Group considers a financial asset to be in default when:
- the counter party is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off during the year.

(d) FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

Initial recognition and measurement
All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent Measurement

Financial Assets measured at Amortised Cost (AC)
A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)
A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)
A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

In case of investments In mutual fund and bonds- Measured at Fair value through Profit and Loss (FVTPL).

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

FINANCIAL LIABILITIES

Classification

The Group classifies its financial liabilities in the following measurement categories:
- those to be measured subsequently at fair value through profit and loss-[FVTPL]; and
- those measured at amortised cost. [AC]

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.
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, lease liabilities, loans and borrowings including bank overdrafts and liability component of convertible instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss [FVTPL]

Financial liabilities at fair value through profit or loss [FVTPL] include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to restated consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the restated consolidated statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in restated consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the restated consolidated statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised 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 exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the restated consolidated statement of profit 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Compound Financial Instruments

Compound Financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non- convertible instrument. This amount is classified as an financial liability measured at FVTPL (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is remeasured at each reporting date. Transaction Costs are apportioned between the liability and equity components of the compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Compulsorily convertible preference shares (CCPS) :
Compulsory Convertible Preference Shares (CCPS) are those shares which are issued with the terms that it can be converted into certain number of equity shares after a period of time. CCPS offer fixed income to the investors and compulsorily convert into Equity Shares of the issuing company after a predetermined period. The terms of conversion are also pre-decided at the time of issue.

CCPS are particularly offered to fill the gap between the valuation expectations of the founder and the investors that are generally linked to the performance of the Holding Company. These offer investors the opportunity to participate in the growth of companies while mitigating the risk of lower valuation of companies that underachieve the targets. Issuing CCPS further benefits the Holding Company's promoters to raise funds without diluting the ownership at the initial period.

(e) LOANS AND BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest method. Processing/Upfront fee are treated as prepaid expenses and same is amortised over the period of the facility to which it relates.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the restated consolidated statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non cash assets transferred or liability assumed, is restated consolidated statement of profit and loss as other gains or (losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of liabilities for at least twelve months after the reporting year.

Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the same is classified as current unless the lender agreed, after the reporting year and before the approval of Restated Consolidated Ind AS financial statement for issue, not to demand payment as a consequence of the breach.

(f) CASH AND CASH EQUIVALENT

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Restated Consolidated Statement of Cash Flows
Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(g) INVENTORIES

Inventories comprises of raw material, work in progress and finished goods. Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.
Inventories are valued at lower of cost and net realisable value; cost is determined on FIFO basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Net realisable 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. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

(h) EARNINGS PER SHARE

Basic earnings per share
Basic earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amounts directly charged to Reserves) before/after Exceptional Items (net of tax) by Weighted average number of Equity shares, (excluding treasury shares).

Diluted earnings per share
Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

(i) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in restated consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in restated consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

• equity investments at fair value through OCI (FVOCI)
• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
• qualifying cash flow hedges to the extent that the hedges are effective.

(j) REVENUE RECOGNITION

Revenue is recognised to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes goods or services contributed by the customer, as non-cash consideration, over which the Group has control.
Where performance obligation is satisfied over time, Group recognizes revenue over the contract year. Where performance obligation is satisfied at a point in time, Group recognizes revenue when customer obtains control of promised goods and services in the contract.
Revenue is recognised net of any taxes collected from customers, which are remitted to governmental authorities.

(i) Sale of goods
Revenue from sale of goods is recognised when control or substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract
Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and receivable is recognized when it becomes unconditional.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and claims, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The specific recognition criteria described below must also be met before revenue is recognized. The Group has a Two stream of revenue i.e. Sale of products & Sale of services

The Group recognises revenue at a point in time when the performance obligation is satisfied, i.e. when ‘control’ of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.
Further, revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

(ii) Sale of service
The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.
Sale of service includes Maintenance services, training services and other services.The Group recognises revenue at a point in time when the performance obligation is satisfied.

(iii) Warranty
The Group provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37 - Provisions, Contingent Liabilities and Contingent assets.

(iv) Variable consideration (Liquidated damages)
The Group estimate the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to a customer, if the consideration promised in a contract includes a variable amount.
An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if Group entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.
The Group recognises liquidated damages net of sale of products for respective year.

(v) Contract Balances
Trade Receivables : A receivable represents the Group’s right to an amount of consideration that is unconditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract assets
A contract asset is a right to receive consideration in exchange for services already transferred to the customer (which consists of unbilled revenue). By transferring services to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is unconditional.

(vi) Other operating income
Duty drawback income is recognised in the restated consolidated statement of profit and loss of the Group under other operating revenue of the Group.

(k) RECOGNITION OF DIVIDEND INCOME, INTEREST INCOME OR EXPENSE
Interest income or expense is recognised using the effective interest method.

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.
However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.
If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in the restated consolidated statement of profit and loss on the date on which the Group's right to receive payment is established.

(l) EMPLOYEE BENEFITS

(i) During Employment benefits
(a) Short term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post Employment benefits

(a) Defined contribution plans
A defined contribution plan is a post employment benefit plan under which a Group pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Defined benefit plans
The Group pays gratuity to the employees who have has completed five years of service with the Group at the time when employee leaves the Group.
The gratuity liability amount is unfunded and formed exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the periods during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post employment are charged to Other Comprehensive Income.

Compensated Absences : Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulated compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(iii) Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(iv) Equity settled share based payments
Employees of the Group receive remuneration in the form of Share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions). In accordance with the Ind AS 102 Share based payment, the cost of equity- settled transactions is measured using the fair value method. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the restated consolidated statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year is recognised in employee benefits expense.

(m) INCOME TAXES
Income tax expense comprises current and deferred tax. Tax is recognised in restated consolidated statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in the other comprehensive income or in equity.

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or subsequently enacted at the Balance sheet date.

Current tax assets and liabilities are offset only if, the Group:
a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Consolidated Ind AS financial information and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have enacted or substantively enacted by the end of the reporting year. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting year. Deferred tax is recognised to the extent that it is probable that future taxable profit will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) The Deferred Tax Assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Holding company.

Minimum alternate tax (MAT) paid in a year is charged to the Restated Consolidated Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

In the year in which the Group recognizes MAT credit as an asset in accordance with the GN on accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Restated Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

(n) BORROWING COSTS

Borrowing costs include:
(i) interest expense calculated using the effective interest rate method;
(ii) finance charges in respect of leases; and
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the restated consolidated statement of profit and loss in the period in which they are incurred.

(o) LEASES

Effective 1 April 2021 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), the Group has applied Ind AS 116. For the purpose of preparation of Restated Consolidated Financial Information, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2023. Hence in these Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from 1 April 2021 recognising right-of-use assets and lease liabilities from the date of commencement of each leases.

In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses (Revised 2019), the Restated consolidated Financial Information for the years ended March 31, 2021 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2021) following accounting policies consistent with that used at the date of transition to Ind AS.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Group has the right to direct the use of the asset.

The Group also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liability
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group has applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

(p) PROVISIONS AND CONTINGENT LIABILITIES & ASSETS
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the restated consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Restated Consolidated Ind AS Financial Information.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

(q) OPERATING SEGMENTS
The Group is exclusively engaged in the business of manufacture and marketing of UAV systems which are used for security and surveillance. The ancillary business of providing training and maintenance service revolve around the main business of manufacture and marketing of UAV systems. Based on Management Approach , the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of overall country level performance indicators.
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the restated consolidated financial information of the Group as a whole.

3 RECENT PRONOUNCEMENT
Recent Indian Accounting Standards (Ind AS)
Ministry of Corporate Affairs (“MCA”) notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 - Presentation of Financial Statements
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.
The Company is currently assessing the impact of the amendments.

Ind AS 12 - Income Taxes
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group is currently assessing the impact of the amendments.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - VI
STATEMENT OF ADJUSTMENTS TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Part A : Statement of Restatement Adjustment

I Reconciliation of total equity between previous GAAP and Ind AS: **(Amount in INR Millions, unless other wise stated)**

	Particulars	As at March 31, 2022	As at March 31, 2021
A	Total equity reported earlier under previous GAAP	**1,218.99**	**603.95**
B	Ind AS adjustment	414.04	(6.47)
C	**Total equity as per Ind AS**	**1,633.03**	**597.48**
D	Audit qualifications	-	-
E	Restatement adjustments	-	-
F	**Total equity as per restated consolidated statement of assets and liabilities**	**1,633.03**	**597.48**

II Reconciliation of total comprehensive income between previous GAAP and Ind AS:
(Amount in INR Millions, unless other wise stated)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	Profit/ (Loss) for the year reported earlier under previous GAAP	**548.52**	**(142.86)**
B	Ind AS Adjustment	(108.16)	(2.89)
C	**Total comprehensive Income as reported under Ind AS**	**440.36**	**(145.75)**
D	Audit qualifications	-	-
E	Restatement adjustments	-	-
F	**Total comprehensive Income as reported under Ind AS**	**440.36**	**(145.75)**

Note :

Material regrouping : None
Appropriate regroupings have been made in the Restated consolidated Statement of Assets and Liabilities, Restated consolidated Statement of Profit and Loss and Restated consolidated Statement of Cashflows, wherever required, by reclassification of the corresponding items of consolidated income, consolidated expenses, consolidated assets, consolidated liabilities and consolidated cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS Consolidated financial information of the Group for the years ended March 31,2023, March 31 2022 and March 31 2021 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

PART B : NON-ADJUSTING EVENTS

A. Qualifications in Auditors' Report, which do not require any corrective adjustments in the Restated consolidated Financial Information
There are no audit qualifications in the auditor's report for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively.

B. Emphasis of Matter (EOM) in Auditors' Report which do not require any corrective adjustments in the Restated consolidated Financial Information:

As at and for the years ended 31 March 2022 and 31 March 2021:
We draw attention to Note 2.1 to the special purpose Ind AS financial statements, which describes the basis of preparation of these special purpose Ind AS financial statements. As explained therein, these special purpose Ind AS financial statements have been prepared by the Holding company in response to the requirements of the e-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for March 2022 and March 2021 (hereinafter referred to as the "the SEBI e-mail") for submission to SEBI. Accordingly, the attached special purpose Ind AS financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our opinion is not modified in respect of this matter.

C. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated consolidated Financial

Statements/comments included in the Companies (Auditor's Report) Order, 2020/the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Financial Information
In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2020/ the Companies (Auditor's Report) Order, 2016 (together "the CARO") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the financial statements as at and for the financial years ended March 31,2023, March 31,2022 and March 31,2021 respectively. Certain statements/comments included in the CARO in the consolidated financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the consolidated financial statements presented.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - VI
STATEMENT OF ADJUSTMENTS TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2023

Clause vii (b) of CARO 2020 Order
According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount INR in million	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	33.06	AY 2017-18	Commissioner of Income tax (Appeals)
VAT Act, 2005	VAT	9.39	FY 2016-17	Deputy Commissioner (Appeals)
VAT Act, 2005	VAT	0.08	FY 2017-18	Deputy Commissioner (Appeals)

For the year ended 31 March 2022

Clause vii (b) of CARO 2020 Order
According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount INR in million	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	33.06	AY 2017-18	Commissioner of Income tax (Appeals)	(Rs.2,160,000 is paid under protest)
VAT Act, 2005	VAT	9.39	FY 2016-17	Deputy Commissioner (Appeals)	
VAT Act, 2005	VAT	0.08	FY 2017-18	Deputy Commissioner (Appeals)	

For the year ended 31 March 2021

Clause (vii) (a) of paragraph 3 of CARO 2016 order :
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Cess, Duty of customs, Employees' State Insurance, Professional tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax and Provident fund have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in one case.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant and Machinery	Vehicles	Computer	Office Equipments	Electrical Equipments	Furniture and Fixtures	Total
Cost or Deemed Cost							
GROSS CARRYING VALUE							
As at April 1, 2019 *	**2.48**	**1.12**	**2.95**	**0.79**	**0.60**	**3.96**	**11.90**
Additions	-	-	1.26	0.24	0.30	-	1.80
Deletions	-	-	-	-	-	-	-
As at March 31, 2020	**2.48**	**1.12**	**4.21**	**1.03**	**0.90**	**3.96**	**13.70**
Additions	2.10	-	0.47	0.06	0.05	0.19	**2.87**
Deletions	-	-	-	-	-	-	**-**
As at March 31, 2021	**4.58**	**1.12**	**4.68**	**1.09**	**0.95**	**4.15**	**16.57**
As at March 31, 2021*	**3.70**	**0.53**	**1.26**	**0.40**	**0.57**	**2.35**	**8.81**
Additions	9.37	1.73	7.24	0.37	0.06	0.64	**19.41**
Deletions	-	(0.04)	-	-	-	-	**(0.04)**
As at March 31, 2022	**13.07**	**2.22**	**8.50**	**0.77**	**0.63**	**2.99**	**28.18**
As at March 31, 2022*	**13.07**	**2.22**	**8.50**	**0.77**	**0.63**	**2.99**	**28.18**
Additions	13.58	5.73	13.59	19.61	4.03	20.84	**77.38**
Deletions	-		-	-	-	-	**-**
As at March 31, 2023	**26.65**	**7.95**	**22.09**	**20.38**	**4.66**	**23.83**	**105.56**
ACCUMULATED DEPRECIATION							
As at April 1, 2019*	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	0.45	0.35	2.39	0.40	0.19	1.03	**4.81**
Deletions	-	-	-	-	-	-	**-**
As at March 31, 2020	**0.45**	**0.35**	**2.39**	**0.40**	**0.19**	**1.03**	**4.81**
Depreciation for the year	0.43	0.24	1.03	0.29	0.19	0.77	**2.95**
Deletions	-	-	-	-	-	-	**-**
As at March 31, 2021	**0.88**	**0.59**	**3.42**	**0.69**	**0.38**	**1.80**	**7.76**
As at March 31, 2021 *	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	1.69	0.45	2.73	0.26	0.15	0.69	**5.97**
Deletions	-	(0.01)	-	-	-	-	**(0.01)**
As at March 31, 2022	**1.69**	**0.44**	**2.73**	**0.26**	**0.15**	**0.69**	**5.96**
As at March 31, 2022 *	**1.69**	**0.44**	**2.73**	**0.26**	**0.15**	**0.69**	**5.96**
Depreciation for the year	2.82	1.22	7.95	2.39	0.60	2.84	**17.82**
Deletions							
As at March 31, 2023	**4.51**	**1.66**	**10.68**	**2.65**	**0.75**	**3.53**	**23.78**
Net carrying value as at April 1, 2019	**2.48**	**1.12**	**2.95**	**0.79**	**0.60**	**3.96**	**11.90**
Net carrying value as at March 31, 2020	**2.03**	**0.77**	**1.82**	**0.63**	**0.71**	**2.93**	**8.89**
Net carrying value as at March 31, 2021	**3.70**	**0.53**	**1.26**	**0.40**	**0.57**	**2.35**	**8.81**
Net carrying value as at March 31, 2022	**11.38**	**1.78**	**5.77**	**0.51**	**0.48**	**2.30**	**22.22**
Net carrying value as at March 31, 2023	**22.14**	**6.29**	**11.41**	**17.73**	**3.91**	**20.30**	**81.78**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

Date: May 29, 2023

*Deemed cost (refer footnote iv below)

i. Contractual Obligations
Refer to Note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii. Title deeds not held in the name of the company
The Group does not have any immovable property for the reporting year

iii. The Group has not revalued its property, plant and equipment
iv. Reconciliation of deemed cost to values under previous GAAP :

Particulars	Plant and Machinery	Vehicles	Computer	Office Equipments	Electrical Equipments	Furniture and Fixtures	Total
Gross block as at April 1, 2019	3.97	2.68	10.20	1.71	1.10	7.84	**27.50**
Accumulated depreciation as at April 1, 2019	1.49	1.56	7.25	0.92	0.50	3.88	**15.60**
Deemed Cost as at April 1, 2019	**2.48**	**1.12**	**2.95**	**0.79**	**0.60**	**3.96**	**11.90**
Gross block as at March 31, 2021	6.07	2.69	11.94	2.02	1.45	8.03	**32.20**
Accumulated depreciation as at March 31, 2021	2.37	2.16	10.68	1.62	0.88	5.68	**23.39**
Deemed Cost as at March 31, 2021	**3.70**	**0.53**	**1.26**	**0.40**	**0.57**	**2.35**	**8.81**

4A. CAPITAL WORK IN PROGRESS	
Particulars	**Total**
As at March 31, 2022	**-**
Additions	34.09
Other Adjustments	-
As at March 31, 2023	**34.09**

(i) Ageing Schedule
Capital work-in-progress ageing schedule as at March 31, 2023

Capital work-in-progress	**Amount in Capital work-in-progress for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 Years**	**More than 3 years**	
Leasehold Improvement, Civil and Interior works	34.09				**34.09**
Project temporarily suspended	-	-	-	-	**-**

There are no Capital work-in-progress for the year ended March 22 and March 21 .

For Capital work-in-progress, completion is not overdue nor has exceeded its cost compared to its original plan and thus completion schedule is not given.

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5. RIGHT-OF-USE ASSETS		
Particulars	**Buildings & improvements**	**Total**
GROSS CARRYING VALUE		
As at April 1, 2019	**24.22**	**24.22**
Additions	0.30	0.30
Deletions	-	-
As at March 31, 2020	**24.52**	**24.52**
Additions	0.11	**0.11**
Deletions	-	-
As at March 31, 2021	**24.63**	**24.63**
Additions	115.37	115.37
Deletions	-	-
As at March 31, 2022	**140.00**	**140.00**
Additions	76.69	76.69
Deletions	-	-
As at March 31, 2023	**216.69**	**216.69**

(Amount in INR Millions, unless other wise stated)

ACCUMULATED AMORTISATION

As at April 1, 2019	**-**	**-**
Amortisation for the year	9.71	9.71
Deletions	-	-
As at March 31, 2020	**9.71**	**9.71**
Amortisation for the year	9.82	9.82
Deletions	-	-
As at March 31, 2021	**19.53**	**19.53**
Amortisation for the year	12.47	12.47
Deletions	-	-
As at March 31, 2022	**32.00**	**32.00**
Amortisation for the year	29.06	29.06
Deletions	-	-
As at March 31, 2023	**61.06**	**61.06**

Net carrying value as at April 1, 2019	**24.22**	**24.22**
Net carrying value as at March 31, 2020	**14.81**	**14.81**
Net carrying value as at March 31, 2021	**5.10**	**5.10**
Net carrying value as at March 31, 2022	**108.00**	**108.00**
Net carrying value as at March 31, 2023	**155.63**	**155.63**

Notes :
(i) The Group has not revalued Rights to use assets for the reporting year.

(ii) The Group has entered into lease arrangements for its office purpose. These leasing arrangements are of 3 to 5 years on an average and are usually renewable by mutual consent on mutually agreeable terms.

(iii) The following amount are recognised in the restated consolidated profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Amortisation expenses of right of use assets (refer note 30)	29.06	12.47	9.82
Interest expenses on lease liabilities (refer note 21 and 29)	10.60	3.43	0.84
Expenses relating to short term leases (refer note 21 and 31)	3.07	0.54	0.91

(iv) Refer note 21 for disclosures pertaining to lease liabilities

(v) The lease agreements for immovable properties where the Group is the lessee are duly executed in favour of the Group.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

6. INTANGIBLE ASSETS

Particulars	Software	Patent	Product development	Total
Cost or Deemed Cost **GROSS CARRYING VALUE**				
As at April 1, 2019 *	**2.96**	**0.16**	**17.74**	**20.86**
Additions	3.94	0.41	12.48	16.83
Deletions	-	-	-	-
As at March 31, 2020	**6.90**	**0.57**	**30.22**	**37.69**
Additions	0.32	0.39	118.01	118.72
Deletions	-	-	-	-
As at March 31, 2021	**7.22**	**0.96**	**148.23**	**156.41**
As at March 31, 2021 *	**2.86**	**0.88**	**112.07**	**115.81**
Additions	3.08	0.66	69.24	72.98
Deletions	-	-	-	-
As at March 31, 2022	**5.94**	**1.54**	**181.31**	**188.79**
Additions	6.14	2.79	185.69	194.62
Deletions	-	-	-	-
As at March 31, 2023	**12.08**	**4.33**	**367.00**	**383.41**

ACCUMULATED AMORTISATION

As at April 1, 2019 *	-	-	-	-
Amortisation for the year	1.93	0.04	13.26	15.23
Deletions	-	-	-	-
As at March 31, 2020	**1.93**	**0.04**	**13.26**	**15.23**
Amortisation for the year	2.43	0.04	22.90	25.37
Deletions	-	-	-	-
As at March 31, 2021	**4.36**	**0.08**	**36.16**	**40.60**
As at March 31, 2021 *	-	-	-	-
Amortisation for the year	2.62	0.07	54.25	56.94
Deletions	-	-	-	-
As at March 31, 2022	**2.62**	**0.07**	**54.25**	**56.94**
Amortisation for the year	2.47	0.20	74.18	76.85
Deletions	-	-	-	-
As at March 31, 2023	**5.09**	**0.27**	**128.43**	**133.79**

Net carrying value as at April 1, 2019	**2.96**	**0.16**	**17.74**	**20.86**
Net carrying value as at March 31, 2020	**4.97**	**0.53**	**16.96**	**22.46**
Net carrying value as at March 31, 2021	**2.86**	**0.88**	**112.07**	**115.81**
Net carrying value as at March 31, 2022	**3.32**	**1.47**	**127.06**	**131.85**
Net carrying value as at March 31, 2023	**6.99**	**4.06**	**238.57**	**249.62**

*Deemed cost (refer footnote ii below)

i. The Group has not revalued any Intangible assets during the reporting period/year.

ii. Reconciliation of deemed cost to values under previous GAAP :

Particulars	Software	Patent	Product development	Total
Gross block as at April 1, 2019	5.36	0.21	98.99	104.56
Accumulated depreciation as at April 1, 2019	2.40	0.05	81.25	83.70
Deemed Cost as at April 1, 2019	**2.96**	**0.16**	**17.74**	**20.86**
Gross block as at March 31, 2021	9.63	1.01	229.47	**240.11**
Accumulated depreciation as at March 31, 2021	6.77	0.13	117.40	**124.30**
Deemed Cost as at March 31, 2021	**2.86**	**0.88**	**112.07**	**115.81**

6A. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Software under development	Patents under development	Product under development	Total
As at April 1, 2019	**-**	**3.42**	**87.60**	**91.02**
Additions	-	4.09	86.14	90.23
Capitalised during the year	-	(0.41)	(12.48)	(12.89)
As at March 31, 2020	**-**	**7.10**	**161.26**	**168.36**
Additions	-	3.06	89.21	92.27
Capitalised during the year	-	(0.39)	(118.01)	(118.40)
As at March 31, 2021	**-**	**9.77**	**132.46**	**142.23**
Additions	0.69	3.89	113.97	118.55
Capitalised during the year	-	(0.66)	(69.24)	(69.90)
As at March 31, 2022	**0.69**	**13.00**	**177.19**	**190.88**
Additions	0.55	6.65	206.74	213.94
Capitalised during the year	(1.24)	(2.79)	(185.69)	(189.72)
As at March 31, 2023	**0.00**	**16.86**	**198.24**	**215.10**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

(i) Ageing Schedule

Intangible Assets under Development ageing schedule as at March 31, 2023

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project In Progress :					
Software					-
Patent under development	4.06	5.76	3.86	3.18	16.86
Product under development	161.26	31.25	5.73	-	198.24
Project temporarily suspended	-	-	-	-	-

Intangible Assets under Development ageing schedule as at March 31, 2022

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project In Progress :					
Software	0.69	-	-	-	0.69
Patent under development	3.40	2.53	3.86	3.21	13.00
Product under development	77.01	5.73	36.17	58.28	177.19
Project temporarily suspended	-	-	-	-	-

Intangible Assets under Development ageing schedule as at March 31, 2021

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project In Progress :					
Software	-	-	-	-	-
Patent under development	2.69	3.78	2.63	0.67	9.77
Product under development	38.00	36.18	54.22	4.06	132.46
Project temporarily suspended	-	-	-	-	-

(ii) For Intangible assets under development, completion is not overdue nor has exceeded its cost compared to its original plan and thus completion schedule is not given.

(iii) Research and development cost

The Group during the year has incurred cost on research and development activities which are eligible for capitalisation in terms of Ind AS 38 and therefore they are not recognised in other expenses under restated consolidated statement of profit and loss. Amount charged to restated consolidated statement of profit and loss during the year ended March 31, 2023 : INR Nil, March 31, 2022: INR Nil and March 31, 2021 : INR Nil.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
On Revenue Account	-	-	-
On Capital Account	206.74	113.97	89.21
Total Research & Development Expenditure	**206.74**	**113.97**	**89.21**

(iv) Capitalisation Of Expenditure

During the respective period/year ended, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/capital work-in-progress (CWIP) or Intangible asset/ Intangible asset under development (IAUD). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Salaries, wages and bonus (Refer Note No.28)	127.93	88.58	65.87
Bonus (Refer Note No.28)	19.53	12.30	10.46
Share based payments to employees (Refer Note No.28)	12.69	3.71	3.18
Consumption of stores and spares (Refer Note No.26)	9.35	5.33	6.49
Finance Cost (Refer Note No.29)	2.04	0.71	0.29
Depreciation and amortisation expense (Refer Note No.30)	5.15	2.54	2.33
Other Expense (Refer Note No.31)	30.05	0.80	0.59
Total	**206.74**	**113.97**	**89.21**

Note - INR 0.00 denotes amount less than INR 5000.00

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

7. FINANCIAL ASSETS

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
(A) INVESTMENTS			
Non Current			
Investments carried at Amortised Cost			
Quoted/Unquoted			
(a) Investments in Equity Instruments			-
NW Engineering Private Limited (CCD's)	10.00	-	-
Total	**10.00**	**-**	**-**
Aggregate amount of quoted investments	-		
Market value of quoted investments	-		
Aggregate amount of unquoted investments	10.00		
Aggregate amount of impairment in the value of investments	-		
Investments in Mutual Funds (Valued at fair value through profit or loss)			
829,798.1060 units (March 31, 2022 : 2,791, March 31, 2021: Nil) IDFC Low Duration Reg-Growth	27.28	0.09	-
10,019.19units (March 31, 2022: 10,019, March 31, 2021: Nil) Axis Corporate Debt Fund	0.14	0.14	-
3,242,276.650 units (March 31, 2022: 9,865, March 31, 2021: Nil) IDFC Corporate Bond Fund	52.64	0.16	-
17,565.2600 units (March 31, 2022: 17,565 March 31, 2021: Nil) Axis Money Market Fund	21.27	20.15	-
7,891.9540 units (March 31, 2022 : 4,498, March 31, 2021: Nil) SBI Overnight Fund Growth	28.48	15.41	-
1,239.4670 units (March 31, 2022 : 22,502, March 31, 2021: Nil) HDFC Overnight Fund Growth	4.07	70.55	-
3,479,869.539 units (March 31, 2022: Nil, March 31, 2021: Nil) Edelweiss Arbitrage Reg-Growth	57.47	-	-
32,447.5340 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) ICICI Pru Money Market-Growth	10.42	-	-
5,513,011.371 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) Aditya Birla SL CRISIL AAA Jun 2023 Index Fund Reg-Growth	57.93	-	-
32,13,61.479 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) Aditya Birla Sun Life Savings Fund Growth	149.16	-	-
1,15,86,10.065 Units (March 31, 2022 : Nil, March 31,2021 : Nil) DSP Savings Fund Growth	51.98	-	-
7,518,722.574 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) Aditya Birla Sl Crisil Sdl Plus Aaa Psu Apr 2027 60:40 Index Fund Reg- Growth	77.49	-	-
7,415,459.553 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) ICICI Pru Psu Bond Plus Sdl 40:60 Index Fund - Sep 2027-Growth	77.42	-	-

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

1,924,164.88 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) UTI Arbitrage Reg-Growth	57.38	-	-
9,292,919.002 units (March 31, 2022: Nil, March 31, 2021: Nil) of IDFC Gilt 2027 Index Fund Reg-Growth	100.97	-	-
7,604,529.503 units (March 31, 2022: Nil, March 31, 2021: Nil) of DSP Corporate Bond Fund- Regular Plan- Growth	102.68	-	-
- 1,97,66.9680 units (March 31, 2022: Nil, March 31, 2021: Nil) of SBI MAGNUM ULTRA SHORT DURATION FUND	100.71	-	-
Investments in Bonds (Valued at fair value through profit or loss)			
100 Units (March 31,2022 : Nil, March 31, 2021: Nil) National Bank For Agriculture And Rural Development	103.85	-	-
50 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) Housing Development Finance Corporation Ltd	51.31	-	-
50 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) 9.15 ICICI Bank Limited	53.83	-	-
50,000 Units (March 31, 2022 : Nil, March 31, 2021 : Nil) Muthoot Finance Limited	54.28	-	-
Total	**1,240.76**	**106.50**	**-**
Aggregate amount of quoted investments	1,240.76	106.50	-
Market value of quoted investments	1,240.76	106.50	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-

(B) LOANS	March 31, 2023	March 31, 2022	March 31, 2021
Current			
Loan to employees			
Loans Receivables considered good – Unsecured	0.85	0.61	0.44
Total	**0.85**	**0.61**	**0.44**

(i) Loans due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member : Nil for March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020.
Loans or advances in the nature of advances to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person: Refer note no. 12

(ii) Loans given to employees as per the holding company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013

(C) OTHER FINANCIAL ASSETS	March 31, 2023	March 31, 2022	March 31, 2021
Non Current			
(i) Financial assets carried at amortised cost			
Balance with banks deposit account with maturity more than 12 months	209.45	44.29	-
Earnest Money Deposit with Customers	0.83	1.31	1.29
Security Deposits	16.45	6.97	2.25
Deposits with banks to the extent held as margin money	5.00	248.77	135.92
Total	**231.73**	**301.34**	**139.46**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

Current			
(i) Financial assets carried at amortised cost			
Security Deposits	2.88	2.04	1.36
Interest accrued on Fixed Deposit with banks	0.89	0.79	7.54
Bank deposits with less than 12 months maturity	122.99	-	0.00
Deposits with banks to the extent held as margin money	92.50	43.73	65.90
Performance Linked Incentives Accrued	174.20		
Total	**393.46**	**46.56**	**74.80**
Payment to auditor*			
Security lien towards Axis Bank - bank guarantee (non current)	1.75	66.30	-
Security lien towards HDFC - bank guarantee (non current)	52.67	71.73	-
Security lien towards HDFC - cash credit facility (non current)	5.00		
Security lien towards UBI - bank guarantee (non current)	32.19	107.41	124.86
Security lien towards UBI - working capital demand loan (non current)	-	-	8.43
Security lien towards RBL - bank guarantee (non current)	2.58	3.33	2.63
Security lien towards EXIM - bank guarantee (non current)	80.36	-	-
Total	**174.55**	**248.77**	**135.92**
Details of lien against fixed deposits: : (current)			
Security lien towards RBL - cash credit facility (current)	-	-	63.74
Security lien towards UBI - working capital demand loan (current)	56.12	-	-
Security lien towards RBL - bank guarantee (current)	1.27	0.11	1.09
Security lien towards HDFC - bank guarantee (current)	3.80	1.20	-
Security lien towards HDFC - cash credit facility (current)	20.00	-	-
Security lien towards UBI - bank guarantee (current)	-	3.97	1.07
Security lien towards Axis- bank guarantee (current)	72.50	-	-
Security lien towards EXIM - bank guarantee (current)	-	38.45	-
Total	**153.69**	**43.73**	**65.90**

Note - INR 0.00 denotes amount less than INR 5000.00

(Amount in INR Millions, unless other wise stated)

8. INVENTORIES

(At lower of cost and net realisable value)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Raw materials	482.59	293.71	140.46
Work-in-progress	39.13	20.48	6.72
Finished goods	525.10	174.95	87.02
Total	**1,046.82**	**489.14**	**234.20**

(i) For mode of valuation of inventories, refer Annexure V - note 2.2 (g) of significant accounting policies

(ii) The value of inventories above is stated after provision/expenses recognised for inventories carried at net realisable value for year ended March 31, 2023 : Nil, March 31, 2022 : Nil, March 31, 2021 : Nil.

(iii) During the year ended March 31, 2023, on April 6 2022 an unfortunate incident of fire occurred in a partial area of the first floor of manufacturing premises at Mahape. The only damage was of a portion of inventories of about INR 80.04 million which has been written off as at September 30, 2022. Management has taken relevant steps to inform the insurance company about this incident. Insurance claim process has been initiated and is under process. Management is confident the damages are recoverable as it was fully insured. There was no impact on the continuity of the Holding company's operations, and committed contracts were delivered in full.

9. TRADE RECEIVABLES

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current			
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	590.01	210.68	239.55
Trade receivable which have significant increase in credit risk - Unsecured	-	-	-
Trade receivable Credit Impaired - Unsecured	-	-	-
	590.01	**210.68**	**239.55**
Less : Allowance for expected credit loss	11.85	7.61	2.05
	578.16	**203.07**	**237.50**
Category wise details of allowance for expected credit loss			
Allowance for expected credit loss for Trade Receivables considered good – Unsecured	11.85	7.61	2.05
	11.85	**7.61**	**2.05**

(i) Trade receivables are non-interest bearing and generally on terms of 30 to 45 days

(ii) Refer Note No. 38 and 39 for Financial instruments, fair values and risk measurement

(iii) Trade receivables does not include any debts which are due by directors or other officers of the Holding company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(iv) Trade receivables does not include any debts from related parties

(v) The movement in allowance for expected credit loss is as follows :

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance as at beginning of the year	7.61	2.05	4.08
Change in allowance during the year	4.24	5.56	-
Written back during the year	-	-	(2.03)
Balance as at the end of the year	**11.85**	**7.61**	**2.05**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Trade Receivables Ageing Schedule : **(Amount in INR Millions, unless other wise stated)**

March 31, 2023			Outstanding for following periods from due date of payment					
Particulars	**Unbilled**	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
-	-							-
(i) Undisputed Trade receivables – considered good	-	193.75	23.15	351.52	12.42	4.00	0.63	**585.47**
(ii) Undisputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Trade Receivables - Unbilled Revenue	4.54	-	-	-	-	-	-	**4.54**
Sub Total	**4.54**	**193.75**	**23.15**	**351.52**	**12.42**	**4.00**	**0.63**	**590.01**
Less: Allowance for expected credit loss								**11.85**
Total								**578.16**

March 31, 2022			Outstanding for following periods from due date of payment					
Particulars	**Unbilled**	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	-	71.88	60.55	1.80	68.52	0.32	0.31	**203.38**
(ii) Undisputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Trade Receivables - Unbilled Revenue	7.30	-	-	-	-	-	-	**7.30**
Sub Total	**7.30**	**71.88**	**60.55**	**1.80**	**68.52**	**0.32**	**0.31**	**210.68**
Less: Allowance for expected credit loss								**7.61**
Total								**203.07**

March 31, 2021			Outstanding for following periods from due date of payment					
Particulars	**Unbilled**	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	-	59.72	153.79	3.02	12.03	2.32	4.42	**235.30**
(ii) Undisputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Trade Receivables - Unbilled Revenue	4.25	-	-	-	-	-	-	**4.25**
Sub Total	**4.25**	**59.72**	**153.79**	**3.02**	**12.03**	**2.32**	**4.42**	**239.55**
Less: Allowance for expected credit loss								**2.05**
Total								**237.50**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

10. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balances with banks:			
- In current accounts	6.35	153.98	12.60
- Deposits with original maturity of less than three months	19.90	150.00	19.90
- Deposits with banks to the extent held as margin money less than three months	18.44	-	19.90
Cash on hand	0.35	0.18	0.19
	45.04	**304.16**	**52.59**

Details of lien against fixed deposits: :			
Security lien towards HDFC - bank guarantee	18.44	-	-
Security lien towards UBI - bank guarantee	-	-	19.90
Total	**18.44**	**-**	**19.90**

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
- Deposits with banks to the extent held as margin money	19.83	27.62	88.72
- Deposits with original maturity of more than 3 months but less than 12 months	0.10	19.00	-
	19.93	**46.62**	**88.72**

Details of lien against fixed deposits: :			
Security lien towards HDFC - bank guarantee		-	-
Security lien towards EXIM - bank guarantee	19.83	17.70	-
Security lien towards RBL - against escrow account	-	9.66	-
Security lien towards RBL - cash credit facility	-	-	33.14
Security lien towards RBL - working capital demand loan	-	-	-
Security lien towards RBL - bank guarantee	-	0.26	-
Security lien towards UBI - bank guarantee	-	-	55.58
Total	**19.83**	**27.62**	**88.72**

12. OTHER ASSETS

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Non Current			
Others			
- Prepaid expenses	0.99	2.74	0.29
Total	**0.99**	**2.74**	**0.29**
Current			
Advances to suppliers for capital goods	5.89	-	-
Unsecured, considered good unless otherwise stated			
Advances other than Capital advances			
- Advances to vendors	100.28	60.88	37.36
- Advances to employees	0.37	0.39	0.36
Others			
- Prepaid expenses	78.19	6.26	5.35
- Balances with Government Authorities	327.18	171.94	82.67
- Other receivable (includes TDS receivable from customer)	-	-	0.07
Total	**511.91**	**239.47**	**125.81**

Note :

(i) There are no loans due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(ii) There are no loans or advances in the nature of loans are granted to promoters, directors, Key management personnel (KMP) and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment.

13. NON CURRENT TAX ASSETS (NET)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Advance tax and tax deducted at source (net of provision for tax of INR 66.25 million, March 31, 2022: INR 7.92 million, March 31, 2021: INR 15.56 million)	11.27	11.27	10.64
Total	**11.27**	**11.27**	**10.64**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

14. INCOME TAX

Deferred Tax

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Deferred Tax relates to the following:			
Property, plant and equipment	12.23		9.54
Provision for employee benefits - Gratuity	5.25	4.38	4.63
Provision for employee benefits - Leave encashment	3.00	2.53	2.08
Losses available for offsetting against future taxable income	-	-	118.32
Provision for warranty	6.59	6.08	0.86
Provision for bonus	12.46		
Provision for liquidated damages	7.42	7.02	0.86
Provision for other expenses	3.64	0.07	0.05
Expected credit loss on trade receivables	2.97	1.90	0.64
Leases - ROU and lease liability	2.65	0.06	0.36
Security deposits	1.32	0.96	0.00
Deferred tax asset : (A)	**57.53**	**23.00**	**137.34**
Leases - ROU and lease liability	-	-	-
Investments in measured at FVTPL	5.37	-	-
Property, plant and equipment	-	4.12	-
Deferred tax liabilities : (B)	**5.37**	**4.12**	**-**
Unrecognised deferred tax assets	-	-	136.33
Net deferred tax assets / (liabilities)	**52.16**	**18.88**	**1.01**

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Group for the year ended March 31, 2021.

Movement in deferred tax assets/(liabilities) :March 31, 2023

Movements during the year ended March 31, 2023	Opening balance	Recognised in profit and Loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Property, plant and equipment	(4.12)	16.35	-	-	12.23
Provision for employee benefits - Gratuity	4.38	0.83	0.04	-	5.25
Provision for employee benefits - Leave encashment	2.53	0.47	-	-	3.00
Losses available for offsetting against future taxable income	-	-	-	-	-
Provision for warranty	6.08	0.51	-	-	6.59
Provision for bonus	-	12.46	-	-	12.46
Provision for liquidated damages	7.02	0.40	-	-	7.42
Provision for other expenses	0.07	3.57	-	-	3.64
Expected credit loss on trade receivables	1.90	1.07	-	-	2.97
Leases - ROU and lease liability	0.06	2.59	-	-	2.65
Security deposits	0.96	0.36	-	-	1.32
Investments in measured at FVTPL	-	(5.37)	-	-	(5.37)
Total	**18.88**	**33.24**	**0.04**	**-**	**52.16**
Unrecognised deferred tax	**-**	**-**	**-**	**-**	**-**
deferred tax recognised and utilised against during the year	**-**	**-**	**-**	**-**	**-**
Total (net)	**18.88**	**33.24**	**0.04**	**-**	**52.16**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

Movement in deferred tax assets/(liabilities) :March 31, 2022

Movements during the year ended March 31, 2022	Opening balance	Recognised in profit and Loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Property, plant and equipment	9.54	(13.66)	-	-	(4.12)
Provision for employee benefits - Gratuity	4.63	(0.15)	(0.10)	-	4.38
Provision for employee benefits - Leave encashment	2.08	0.45	-	-	2.53
Losses available for offsetting against future taxable income	118.32	(118.32)	-	-	-
Provision for warranty	0.86	5.22	-	-	6.08
Provision for liquidated damages	0.86	6.16	-	-	7.02
Provision for other expenses	0.05	0.02	-	-	0.07
Expected credit loss on trade receivables	0.64	1.26	-	-	1.90
Leases - ROU and lease liability	0.36	(0.30)	-	-	0.06
Security deposits	0.00	0.96	-	-	0.96
Total	**137.34**	**(118.36)**	**(0.10)**	**-**	**18.88**
Unrecognised deferred tax	**136.33**	**-**	**-**	**-**	**-**
deferred tax recognised and utilised against during the year	**-**	**(136.33)**	**-**	**-**	**-**
Total (net)	**1.01**	**17.97**	**(0.10)**	**-**	**18.88**

Movement in deferred tax assets/(liabilities) : March 31, 2021

Movements during the year ended March 31, 2021	Opening balance	Recognised in profit and Loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Property, plant and equipment	9.04	0.50	-	-	9.54
Provision for employee benefits - Gratuity	3.82	1.05	(0.24)	-	4.63
Provision for employee benefits - Leave encashment	1.40	0.68	-	-	2.08
Losses available for offsetting against future taxable income	75.11	43.21	-	-	118.32
Provision for warranty	0.54	0.32	-	-	0.86
Provision for liquidated damages	-	0.86	-	-	0.86
Provision for other expenses	0.07	(0.02)	-	-	0.05
Expected credit loss on trade receivables	1.27	(0.63)	-	-	0.64
Leases - ROU and lease liability	0.89	(0.53)	-	-	0.36
Security deposits	0.06	(0.06)	-	-	0.00
Total	**92.20**	**45.38**	**(0.24)**	**-**	**137.34**
Unrecognised deferred tax	**89.73**	**46.60**	**-**	**-**	**136.33**
Total (net)	**2.47**	**(1.22)**	**(0.24)**	**-**	**1.01**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Unrecognised deferred tax assets	**-**	**-**	**136.33**
Deductible temporary differences	-	-	18.01
Unrecognised tax losses	-	-	118.32
Unrecognised tax credits	-	-	-

Disclosure of losses carried forward as per income tax, Act 1961

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Business loss	-	-	293.31
Unabsorbed Depreciation	-	-	84.83
Capital loss	-	-	1.07

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Tax losses which arose in India that are available for offsetting against future taxable profits of the Group. Majority of these losses will expire as per table below :

Assessment year wise expiry	March 31, 2023	March 31, 2022	March 31, 2021
Business loss			
A.Y 2026-27	-	-	5.79
A.Y 2027-28	-	-	76.76
A.Y 2028-29	-	-	102.08
A.Y 2029-30	-	-	108.68
Unabsorbed Depreciation			
Unabsorbed depreciation shall be carried forward by the Group for unlimited years till set off against future taxable profit is available to the Group.	-	-	84.83
Capital loss			
A.Y 2022-23	-	-	1.04
A.Y 2025-26	-	-	0.03

Major Components of income tax expense for year ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

i. Income tax recognised in profit or loss

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current Tax Expense			
Current tax on profits for the year	121.31	79.68	-
Adjustment in respect of current income tax of previous year	-	-	-
Total Current Tax Expense	**121.31**	**79.68**	**-**
Deferred Tax (Credit) / Expense			
Origination and reversal of temporary differences	(33.24)	(17.97)	1.22
Total Deferred Tax (Credit) / Expense	**(33.24)**	**(17.97)**	**1.22**
Income tax expenses recognised in profit or loss	**88.07**	**61.71**	**1.22**

ii. Income Tax recognised in OCI

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	0.04	(0.10)	(0.24)
Income tax expense recognised in OCI	**0.04**	**(0.10)**	**(0.24)**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31,2023, March 31, 2022 and March 31, 2021

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profit/(loss) before tax	407.95	501.77	(145.04)
Accounting profit before income tax	**407.95**	**501.77**	**(145.04)**
Enacted tax rate in India	25.17%	25.17%	31.20%
Income Tax on accounting profit/(loss)	**102.68**	**126.30**	**(45.25)**
Effect of			
Expenses not allowable under Income Tax	0.48	-	-
Fair value loss on financial liability measured at FVTPL	-	25.45	1.44
Tax effect of prior years	(13.32)	-	-
Rate difference on tax loss of half year due to full year ETR and applicable rate	-	-	-
DTA not recognised against Carry Forward Business Loss (to the extent of CY profit/loss)	-	-	46.61
Rate difference due to effective rate and applicable rate	-	26.35	-
Unrecognised DTA utilised in CY against profits	-	(118.32)	-
Income considered under separate head - Capital Gain	-	(0.40)	-
Others	(1.77)	2.33	(1.57)
Tax at effective Income Tax Rate	**88.07**	**61.71**	**1.22**

Changes in tax rate

During the year ended March 31, 2022, the Holding company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group re-measured its net deferred tax asset/(liabilities) basis the rate prescribed in the said section. The full impact of this change was recognised in the restated consolidated statement of profit and loss for that year.

Note - INR 0.00 denotes amount less than INR 5000.00

(Amount in INR Millions, unless other wise stated)

15. EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

i. Authorised Share Capital

Particulars	Equity shares		Preference shares	
	Number of shares	Amount	Number of shares	Amount
Equity shares and Preference shares of Rs.10 each with voting rights				
At April 1, 2020	**2,25,000**	**2.25**	**75,000**	**0.75**
Change during the year	-	-	-	-
At March 31, 2021	**2,25,000**	**2.25**	**75,000**	**0.75**
Change during the year	-	-	-	-
At March 31, 2022	**2,25,000**	**2.25**	**75,000**	**0.75**
Change during the year	5,97,00,000	**597.00**	-	-
At March 31, 2023	**5,99,25,000**	**599.25**	**75,000**	**0.75**

ii. Issued, Subscribed and Paid up Capital

(a) Reconciliation of the number of equity shares

Particulars	Equity shares of INR 10 each, fully paid up		Equity shares of INR 10 each, INR 1 partly paid up		Total
	Number of shares	Amount	Number of shares	Amount	Amount
At April 1, 2020	**88,630**	**0.89**	**1,100**	**0.00**	**0.89**
Shares Issued during the year	300	0.00	-	-	0.00
At March 31, 2021	**88,930**	**0.89**	**1,100**	**0.00**	**0.89**
Shares Issued during the year	470	0.00	-	-	0.00
At March 31, 2022	**89,400**	**0.89**	**1,100**	**0.00**	**0.89**
Shares Issued during the year	2,12,46,736	212.47	-	-	212.47
Converted to equity share capital	1,428	0.01	(1,100)	(0.00)	0.01
At March 31, 2023	**2,13,37,564**	**213.37**	**-**	**-**	**213.37**

(b) Rights, preferences and restrictions attached to equity shares:

The Holding company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

(c) Reconciliation of the number of Instruments Entirely Equity In Nature shares

Particulars	Series A1 0.01% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, 1 partly paid-up.		Series A 0.001% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid-up.		Series B Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each, fully paid up.		Series B1 Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each, fully paid up.		Total
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount
At April 1, 2020	**328**	**0.00**	**38,145**	**0.38**	**-**	**-**	**-**	**-**	**0.38**
Issued during the year	-	-	-	-	-	-	-	-	-
At March 31, 2021	**328**	**0.00**	**38,145**	**0.38**	**-**	**-**	**-**	**-**	**0.38**
Issued during the year	-	-	-	-	-	-	-	-	-
At March 31, 2022	**328**	**0.00**	**38,145**	**0.38**	**-**	**-**	**-**	**-**	**0.38**
Issued during the year	-	-	-	-	10,079	0.10	19,018	0.19	0.29
Capitalised to equity share capital	(328)	(0.00)	-	-	-	-	-	-	(0.00)
At March 31, 2023	**-**	**-**	**38,145**	**0.38**	**10,079**	**0.10**	**19,018**	**0.19**	**0.67**

(d) Rights, preferences and restrictions attached to preference shares: (Series A1)

Compulsorily convertible cumulative preference shares were issued at par in December, 2016. All preference shares carry voting rights as per the provision of the Companies Act, 2013. These preference shares are convertible in to equity shares upon the earlier of (i) 6th (sixth) anniversary of the date of allotment of each such Series A1 CCPS, or (ii) in connection with an IPO/QIPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Holding company with the competent authority. The preference shares are entitled to cumulative dividend @ 0.01% in preference to equity shares, as and when declared. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Each Preference share is convertible in to 1 Equity Share of INR 10 each in accordance with the Securities Subscription Agreement.The Series A1 CCPS shall have the voting rights, prescribed under applicable Law.

(e) Rights, preferences and restrictions attached to preference shares: (Series A)

Compulsorily convertible cumulative preference shares were issued at par in December, 2017. All preference shares carry voting rights as per the provision of the Companies Act, 2013. These preference shares are convertible in to equity shares upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment or (ii) in connection with an IPO/QIPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Holding company with the competent authority or such later date as may be permitted under applicable Law, or (iii) a decision by vote or written consent of the holders of a majority of the Series A CCPS that all the Series A CCPS must be converted. The preference shares are entitled to cumulative dividend @ 0.001% in preference to equity shares, as and when declared. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Each Preference share is convertible in to 1 Equity Share of INR 10 each in accordance with the Securities Subscription Agreement. Holders of the Series A CCPS are entitled to vote on all matters that are submitted to the vote of the Shareholders.

(f) Rights, preferences and restrictions attached to preference shares: (Series B)

Compulsorily convertible cumulative preference shares were issued at par in April, 2022. All preference shares carry voting rights as per the provision of the Companies Act, 2013. These preference shares are convertible in to equity shares upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment or (ii) in connection with an IPO/QIPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Holding company with the competent authority or such later date as may be permitted under applicable Law, or (iii) a decision by vote or written consent of the holders of a majority of the Series B CCPS that all the Series B CCPS must be converted. The preference shares are entitled to cumulative dividend @ 0.001% in preference to equity shares, as and when declared. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Each Preference share is convertible in to 1 Equity Share of INR 10 each in accordance with the Securities Subscription Agreement. Holders of the Series B CCPS are entitled to vote on all matters that are submitted to the vote of the Shareholders.

(g) Rights, preferences and restrictions attached to preference shares: (Series B1)

Compulsorily convertible cumulative preference shares were issued at par in April, 2022. All preference shares carry voting rights as per the provision of the Companies Act, 2013. These preference shares are convertible in to equity shares upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment or (ii) in connection with an IPO/QIPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Holding company with the competent authority or such later date as may be permitted under applicable Law, or (iii) a decision by vote or written consent of the holders of a majority of the Series B1 CCPS that all the Series B1 CCPS must be converted. The preference shares are entitled to cumulative dividend @ 0.001% in preference to equity shares, as and when declared. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Each Preference share is convertible in to 1 Equity Share of INR 10 each in accordance with the Securities Subscription Agreement. Holders of the Series B1 CCPS are entitled to vote on all matters that are submitted to the vote of the Shareholders.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(h) Details of shareholders holding more than 5% shares of a class of shares in the Group:

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Equity Shares with Voting Rights						
Ankit Mehta	36,86,964	17.28%	16,314	18.03%	16,174	17.97%
Ashish Bhat	35,47,070	16.62%	15,695	17.34%	15,695	17.43%
Rahul Singh	35,83,230	16.79%	15,855	17.52%	15,695	17.43%
Sujata Vemuri	-	0.00%	9,395	10.38%	9,995	11.10%
Vipul Joshi	14,37,360	6.74%	6,360	7.03%	6,260	6.95%
Preference shares						
Series A1, partly paid up						
Trifecta Venture Debt Fund I	-	0.00%	328	100.00%	328	100.00%
Series A, fully paid up						
Celesta Capital II Mauritius (Formerly known as WRV II Mauritius)	16,323	42.79%	16,323	42.79%	16,323	42.79%
Indusage Technology Venture Fund I	9,075	23.79%	9,075	23.79%	9,075	23.79%
Infosys Limited	5,402	14.16%	5,402	14.16%	5,402	14.16%
Qualcomm Asia Pacific PTE Limited	5,402	14.16%	5,402	14.16%	5,402	14.16%
Celesta Capital II-B Mauritius (Formerly known as WRV II-B Mauritius)	1,943	5.09%	1,943	5.09%	1,943	5.09%
Series B, fully paid up *						
IndusAge Technology Venture Fund I	1,013	10.05%	-	-	-	-
Infosys Limited	1,787	17.73%	-	-	-	-
Qualcomm Asia Pacific Pte. Ltd.	726	7.20%	-	-	-	-
Celesta Capital II Mauritius (Formerly known as WRV II Mauritius)	3,194	31.69%	-	-	-	-
Celesta Capital II-B Mauritius (Formerly known as WRV II Mauritius)	381	3.78%				
Infina Finance Private Limited	1,191	11.82%	-	-	-	-
Export Import Bank Of India	1,787	17.73%	-	-	-	-
Series B1, fully paid up *						
Florintree Enterprise LLP	17,884	94.04%	-	-	-	-
Ganapathy Subramaniam	1,134	5.96%	-	-	-	-

* Series B and B1 are issued during the year ended March 31, 2023, there are no comparative available

(i) Details of shareholdings by the Promoter's of the Group:

Promoter's name*	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Equity Shares of Rs 10 each fully paid up					
Ankit Mehta	36,86,964	17.28%	16,314	18.03%	-0.75%
Ashish Bhat	35,47,070	16.62%	15,695	17.34%	-0.72%
Rahul Singh	35,83,230	16.79%	15,855	17.52%	-0.73%

Promoter's name*	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Equity Shares of Rs 10 each fully paid up					
Ankit Mehta	16,314	18.03%	16,174	17.97%	0.06%
Ashish Bhat	15,695	17.34%	15,695	17.43%	-0.09%
Rahul Singh	15,855	17.52%	15,695	17.43%	0.09%

* Change during the year is on account of acquisition of shares by Mr. Ankit Mehta (140 shares) and Mr. Rahul Singh (160 shares) from Mr. Amardeep singh on November 24, 2021.

Promoter's name*	As at March 31, 2021		As at April 1, 2020		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Equity Shares of Rs 10 each fully paid up					
Ankit Mehta	16,174	17.97%	16,174	18.03%	-0.06%
Ashish Bhat	15,695	17.43%	15,695	17.49%	-0.06%
Rahul Singh	15,695	17.43%	15,695	17.49%	-0.06%

Details of shareholders holding more than 5% shares of a partly paid shares in the Group:

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Equity Shares of Rs 10 each partly paid up of INR 1					
Ganapathy Subramaniam	-	0.00%	630	57.27%	-57.27%
Dhruv Gupta	-	0.00%	470	42.73%	-42.73%

Particulars	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Equity Shares of Rs 10 each partly paid up of INR 1					
Ganapathy Subramaniam	630	57.27%	630	57.27%	0.00%
Dhruv Gupta	470	42.73%	470	42.73%	0.00%

Particulars	As at March 31, 2021		As at April 1, 2020		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Equity Shares of Rs 10 each partly paid up of INR 1					
Ganapathy Subramaniam	630	57.27%	630	57.27%	0.00%
Dhruv Gupta	470	42.73%	470	42.73%	0.00%

(j) Shares reserved for issue under options and contracts:

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. Of Shares	Amount	No. Of Shares	Amount	No. Of Shares	Amount
Under Employee Stock Option plan :						
Equity shares of Rs. 10 each, at exercise price of Rs.10 per share (September 30, 2022, September 30, 2021, March 31, 2021 and March 31, 2020 :INR 10 each)	11,034	0.11	11,034	0.11	9,709	0.10
For series A1 0.01% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, INR 1 each partly paid-up.						
Equity shares of Rs. 10 each			328	0.00	328	0.00
For Series A 0.001% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid-up.						
Equity shares of Rs. 10 each	38,145	0.38	38,145	0.38	38,145	0.38
For Series B Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid up.						
Equity shares of Rs. 10 each	10,079	0.10	-	-	-	-
For Series B1 Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid up.						
Equity shares of Rs. 10 each	19,018	0.19	-	-	-	-

Aggregate number and class of shares allotted as fully paid up by way of bonus shares : Nil

Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date: Nil

Note - INR 0.00 denotes amount less than INR 5000.00

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

16. OTHER EQUITY

A. Summary of Other Equity balance:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Reserves & surplus			
Securities Premium	2,354.54	902.70	895.59
General Reserve	5.00	5.00	-
Share Based Payment Reserve	303.90	145.39	86.01
Retained Earnings	369.73	49.97	(390.39)
Debenture Redemption Reserve	-	-	5.00
Equity component of compound financial instruments (refer note 17)	-	528.67	-
Money received against share warrant	-	0.03	-
Total Other Equity	**3,033.17**	**1,631.76**	**596.21**

(a) Securities Premium

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	902.70	895.59	890.12
Add: Interest expense on fair value through P&L on CCD	-	-	-
Add : Securities premium on preference shares issued	985.52	-	-
Add : Securities premium on conversion of compulsorily convertible debenture to compulsorily convertible preference shares	528.57	-	-
Add : Securities premium on conversion of Partly paid equity shares to fully paid equity shares	20.32		
Add : Securities premium on conversion of Partly paid compulsorily convertible preference shares to fully paid equity shares	5.98		
Add : Securities premium on conversion of warrants to fully paid equity shares	13.47		
Add : Issue of equity shares on exercise of employee stock options	118.48	7.11	5.47
Less : Issue of bonus equity shares 1:225	(212.41)		
Less : Expenses incurred directly in connection with issue of CCPS	(8.09)	-	-
Balance at the end of the year	**2,354.54**	**902.70**	**895.59**

(b) General Reserve

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	5.00	-	-
Add: Transferred from debenture redemption reserve	-	5.00	-
Balance at the end of the year	**5.00**	**5.00**	**-**

(c) Share Based Payment Reserve

	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	145.39	86.01	29.42
Add : Employee compensation expense for the year	276.99	66.49	62.06
Less : Transferred to securities premium account/share capital on exercise of stock option	(118.48)	(7.11)	(5.47)
Balance at the end of the year	**303.90**	**145.39**	**86.01**

(Amount in INR Millions, unless other wise stated)

(d) Retained Earnings

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	49.97	(390.39)	(244.64)
Add: Profit/(Loss) for the year	319.88	440.06	(146.26)
Less: Remeasurement of post employment benefit obligation, net of tax	(0.12)	0.30	0.51
Balance at the end of the year	**369.73**	**49.97**	**(390.39)**

(e) Debenture Redemption Reserve (DRR)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	-	5.00	5.00
Less : Transferred to General Reserve	-	(5.00)	-
Balance at the end of the year	-	-	5.00

(e) Money received against share warrant

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	0.03	-	-
Add : Money received during the year against warrants	-	0.03	-
Less : Miscellaneous income	(0.03)	-	-
Balance at the end of the year	**-**	**0.03**	**-**

(f) Equity component of compound financial instruments

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance at the beginning of the year	528.67	-	-
Add : Premium on reclassification of CCD to CCPS	-	528.67	-
Less : Reclassified to securities Premium and equity on actual conversion of CCD to CCPS	(528.67)	-	-
Balance at the end of the year	-	528.67	-

B. Nature and purpose of reserves:

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

General Reserve - On redemption of the debentures for which the debenture redemption reserve was created, the Holding Company has transferred the balance in the debenture redemption reserve to the General Reserve.

Share Based Payment Reserve - The fair value of the equity-settled share based payment transactions is recognised in restated consolidated statement of profit and loss with corresponding credit to Share Based Payment Reserve and utilised on issue of shares.

Retained Earnings - Retained earnings are the profits that the Group has earned till date or losses incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Debenture Redemption Reserve - In order to comply with the requirements of Section 71(4) of the Companies Act, 2013, the Holding company had created a debenture redemption reserve out of the profits of the Holding company available for payment of dividend, and the amount credited to such account was utilized by the Group for the redemption of debentures.

Security premium related to conversion from CCD to CCP's - The amount received in excess of face value of the equity shares is recognised in security premium. In case of equity component of compound financial instruments, the difference between fair value on the day of conversion and nominal value of shares is accounted as security premium

(Amount in INR Millions, unless other wise stated)

17. BORROWINGS

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Non Current Borrowings			
Secured			
(a) Debenture : (March 31. 2023: Nil, March 31, 2022: Nil and March 31, 2021 : 300) (March 31. 2023: Nil, March 31, 2022: Nil and March 31, 2021 : 17.5%) Redeemable Non Convertible Debentures of INR 5,00,000 each (refer note (a))	-	-	150.00
(b) Vehicle Loan			
From Bank - ICICI Bank (refer note (b))	-	-	0.57
Unsecured			
Liability carried at fair value through profit & loss			
(c) Debenture : (March 31, 2023: Nil, March 31, 2022 : Nil, March 31, 2021 : 15,438, March 31, 2020 : Nil) Compulsorily convertible debentures of INR 19,300 each carried at Fair value through Profit & Loss (refer note (d))	-	-	302.57
(A)	**-**	**-**	**453.14**
Less : Current Maturity of Non Current Borrowings			
(a) Debenture : (March 31, 2023: Nil, March 31, 2022: Nil and March 31, 2021 : 300) 17.5% Redeemable Non Convertible Debentures of INR 5,00,000 each (refer note (a))	-	-	(75.00)
(b) Vehicle Loan			
From Bank - ICICI Bank (refer note (b))	-	-	(0.33)
(B)	**-**	**-**	**(75.33)**
Total (A)-(B)	**-**	**-**	**377.81**
Current Borrowings			
Secured			
(a) Debenture : (March 31, 2023: Nil, March 31, 2022: Nil and March 31, 2021 : 300) 17.5% Redeemable Non Convertible Debentures of INR 5,00,000 each (refer note (a))	-	-	75.00
(b) Vehicle Loan			
From Bank - ICICI Bank (refer note (b))	-	0.24	0.33
(c) Loans repayable on demand			
From Bank (refer note c (i), (iii) and (iv))	521.50	-	52.60
From NBFC (refer note c (ii))	-	-	-
(d) Other loan from bank* (refer note c (v))	343.54	-	-
Unsecured			
(e) Loans from Related Parties - Ganapathy Subramaniam (refer note (e))	-	56.52	-
(f) Interest accrued but not due on borrowings	-	0.00	0.00
Total	**865.04**	**56.76**	**127.93**

From Exim bank

Secured :

Note (a) : Unlisted 17.5% p.a secured redeemable non convertible debentures were issued to Blacksoil India Credit Limited on February 25, 2021, the same are repayable within 24 months from the date of allotment February 25, 2021 as per the Debentures deed agreement. There was a moratorium period of 4 months for principal repayment till May 31, 2021. These debentures are secured against the personal guarantee of the promoters and a pari passu first charge over book debts, inventories, movable assets and others assets acquired by the Holding company. These non convertible debenture were fully repaid during the year ended March 31, 2022.

Note (b) : Secured Vehicle loan from ICICI Bank was obtained on October 18, 2017 amounting to INR 1.50 million and carries an interest rate of 8.24% p.a (March 31, 2022 : 8.24% p.a , March 2021 31, : 8.24% p.a, March 31 2020 : 8.24% p.a) against the hypnotisation of vehicle. The loan is repayable in 60 equal instalments commencing from December 1,2017 having and equated monthly instalment of INR 0.03 million. During the period ended September 30, 2022, the loan were fully repaid.

Note (c(i)): Overdraft facility taken from RBL Bank Limited with sanctioned amount of INR 80.00 million (fund and non-fund based) on October 28, 2016, and INR 100.00 million during the year ended March 31, 2020 which carries an interest based on prevalent base rate plus margin on actual amount utilised and the same is repayable on demand. The overdraft facility is secured by personal guarantee of promoters and pari passu charge over inventories.

Note (c (ii)):Structured credit line from Northern Arc Capital Limited *(formerly IFMR Capital Finance Limited)* for a maximum amount of INR 240.00 million repayable within 24 months from the date of availment of the facility i.e. June 25, 2021 carrying an interest rate of 14.5% p.a. Facility is available for utilization majorly towards contract amounting to gross value of INR 1,344.50 million with Ministry of Defence, Government of India (86785/MINI RPAS/FTP/Inf-5(a)/2020). During the year ended March 31, 2022 the loan were fully repaid

Note (c (iii)): Cash credit (fund and Non fund based) facility taken from HDFC Bank Limited and carries interest based prevalent base rate plus margin (31 March 2023 : 9.51% p.a, March 31,2022 : 7.25% p.a, March 31, 2021 : Nil and March 31, 2020 : Nil) on actual amount utilised and the same is repayable on demand. The overdraft facility is secured by personal guarantee of promoters and pari passu charge over over book debts, inventories (excluding inventory of infantry project), movable assets and others assets acquired by the Holding company. Date of Sanction of credit facility : October 22, 2021 with total limit of INR 400.00 million and the same has been revised on April 15, 2022 with limit of INR 592.00 million. Date of Hypothecation Agreement : November 23, 2021 and period is of 12 months.

Note (c (iv)): Cash credit (fund and Non fund based) facility taken from Axis Bank Limited and carries interest based prevalent base rate plus margin (March 31, 2023 : 9.75% p.a, March 31, 2022 : Nil , March 31, 2021 : Nil, March 31, 2020 : Nil) on actual amount utilised and the same is repayable on demand. The overdraft facility is secured by personal guarantee of promoters and pari passu charge over book debts, inventories (excluding inventory of infantry project), movable assets and others assets acquired by the Holding company. Date of Sanction of credit facility : May 5, 2022 and Date of Hypothecation Agreement: August 23, 2022.

Note (c (v)): Cash credit (cashflow deficit and Non fund based) facility taken from Exim Bank and carries interest based prevalent base rate plus margin (March 31,2022 : 9.50% p.a , March 31 2021 : Nil, March 31 2020 : Nil) on actual amount utilised and this is against the SIDM1.The overdraft facility is secured by personal guarantee of promoters and pari passu charge over book debts (only for SIDM 1 project), inventories (only for SIDM 1 project), movable assets and others assets acquired by the Holding company and the same was repaid during the year ended March 31,2022. During the year ended March 31, 2022, The Holding company has obtained cash credit facility with sanctioned amount of INR 750.00 million carries interest based prevalent base rate plus margin (March 31, 2023 : 9.25%) for Infantry project and this overdraft facility is secured by personal guarantee of promoters and pari passu charge over book debts (only for Infantry project), inventories (only for Infantry project), movable assets and others assets acquired by the Group. Date of Sanction of credit facility : March 25, 2021 and Date of Hypothecation Agreement: March 28, 2022.

Note : The holding company has filed quarterly returns/statements of current assets with banks and the amounts reported are in agreement with the books of account.

Unsecured :
Note (d) : Unlisted and unsecured compulsorily convertible debentures are issued to IndusAge dated November 23, 2020 , Celesta Capital II-B Mauritius (Formerly known as WRV II-B Mauritius) and Celesta Capital II Mauritius (Formerly known as WRV II Mauritius) dated December 30, 2020, Qualcomm dated February 10, 2021, Infosys Ltd dated February 12, 2021, Infina Finance Pvt Ltd dated April 15, 2021 EXIM Bank dated October 27, 2021 and the same are to be converted in equity share within 24 months from the date of allotment as per the debentures subscription agreement and on April 28, 2022 CCD's have been converted into INR 0.10 million Series B Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each, fully paid up of the Holding company.

Note (e) **:** During the year ended March 31, 2021, Holding company has taken unsecured working capital loan from Mr. Ganapathy Subramaniam Director of the Holding company at interest of 16% p.a. to meet working capital requirement of INR 70.00 million and was fully repaid on March 29, 2021. Further during the year ended March 31, 2022 Holding company has taken unsecured working capital loan from Mr. Ganapathy Subramaniam Director of the Holding company at interest of 16% p.a. to meet working capital requirement of INR 97.00 million and was fully repaid by April 5, 2022.

Note - INR 0.00 denotes amount less than INR 5000.00

(Amount in INR Millions, unless other wise stated)

17. BORROWINGS

Unsecured

Compulsory Convertible Debentures

The Holding company has issued 21,914 0% compulsorily convertible debentures for INR 19,300 each on November 20,2020. to IndusAge, Celesta Capital II-B Mauritius (Formerly known as WRV II-B Mauritius) and Celesta Capital II Mauritius (Formerly known as WRV II Mauritius), Qualcomm, Infosys Ltd, Infina, EXIM Bank. The debentures are convertible into 0.01% cumulative compulsorily convertible preference shares of the Group, at the option of the holder. The Conversion rate to shares for each debenture held is stated below. The Convertible debenture are presented in the balance sheet as follows:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Face value of compulsory convertible debentures issued	-	19,300	19,300
Equity component of debentures - value of conversion rights	-	528.67	
Financial liability of compulsory convertible debentures issued			297.95
Fair value loss on financial liability measured at FVTPL	-	101.12	4.62
Non Current Borrowings	-	-	**297.95**
Equity	-	**528.67**	-

Terms and conditions for conversion of CCD :

1. Conversion of CCDs: CCDs shall be converted into Converted Securities of the Group, as per point 1.1 below, without any further act or deed by the holder of such CCD on (I) the earlier of (A) the first instance of the Holding company receiving a Qualified Financing, and(B) on the occurrence of a Bridge Liquidation Event and/or Exit Event within 24 (twenty-four) months from the Closing Date (collectively referred to as a “Conversion Event”), and (II) on the expiry of 24 (twenty-four) months from the Closing Date, whichever is earlier.

1.1 In the event that CCDs are to be converted pursuant to point 2(I) above (i.e. on the occurrence of a Conversion Event) then, CCDs shall convert into Converted Securities as follows, provided that in no event shall the conversion price be lower than the fair market value of the Holding company’s Securities at the time of subscription of CCDs(i.e. INR 19,263.57 per security):

a) if such Conversion Event occurs within the 12 (twelve) months from the Closing Date, then the CCDs shall be converted into such number of Converted Securities determined by dividing the subscription amount paid by the concerned holder of the CCDs by the price per Converted Security, which price per Converted Security shall be equal to a 20% (twenty percent) discount to the price per Share, determined by dividing the product of (a) the pre money valuation applied at the Conversion Event and (b) the Agreed Exchange Rate, by the number of issued and outstanding Securities of the Holding company on a Fully Diluted Basis (other than the CCDs and the Converted Securities into which the CCDs shall convert into on the Conversion Date) on the Conversion Date;

b) if such Conversion Event occurs post a period of 12 (twelve) months from the Closing Date, but prior to the expiry of 24 (twenty-four) months from the Closing Date, then the CCDs shall be converted into such number of Converted Securities determined by dividing the subscription amount paid by the concerned holder of the CCDs by the price per Converted Security, which price per Converted Security shall be equal to a 30% (thirty percent) to the price per Share, determined by dividing the product of (a) the pre money valuation applied at the Conversion Event and (b) the Agreed Exchange Rate, by the number of issued and outstanding Securities of the Holding company on a Fully Diluted Basis (other than the CCDs and the Converted Securities into which the CCDs shall convert into on the Conversion Date) on the Conversion Date.

1.2 In the event that the CCDs are to be converted pursuant to Point 2 (II) above (i.e. on the expiry of 24 (twenty-four) months from the Closing Date) then, the CCDs shall convert at a per security price of INR 19,300/- (Rupees Nineteen Thousand Three Hundred only) per CCD (which conversion price is not lower than the fair market value of the Holding company’s Securities at the time of subscription of the CCDs (i.e. INR 19,263.57 per Security).

1.3 It is clarified that the exchange rate of 1 USD = INR75/- (“Agreed Exchange Rate”), shall be applied to pre-money valuation at the Conversion Event for the purposes of arriving at the price per share and the number of shares to be issued to the Identified Person pursuant to any Conversion Event.

Pursuant to the term sheet signed dated November 20, 2021, the ratio is determined for conversion of CCD into CCPS and hence the instrument becomes equity in nature. The outstanding CCD is then transferred from borrowing to equity component of compound financial instruments as at November 20,2021. Subsequent to March 31,2022 on 28 April 2022 CCD's have been converted into 0.10 lakh CCPS of the Holding company.

Note 1 : Where the Holding company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the Holding company shall disclose the details of where they have been used.

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)

ANNEXURE -VII

NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

18. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current			
Payable to employees	51.01	54.76	49.52
Total	**51.01**	**54.76**	**49.52**

(Amount in INR Millions, unless other wise stated)

19. TRADE PAYABLES

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current			
Total outstanding dues of micro enterprise and small enterprises	46.09	23.66	18.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	93.80	51.28	28.75
(Refer Note 19A for Ageing)			
Total	**139.89**	**74.94**	**47.46**

20. OTHER LIABILITIES

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current			
Statutory dues	15.06	7.02	3.01
Contract Liabilities (Advance from customers) (Refer Note No. 24 (ii))	265.42	197.85	2.83
Other payables (includes reimbursement payable to employee)	0.44	3.63	0.55
Total	**280.92**	**208.50**	**6.39**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

21. LEASE LIABILITIES

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Non Current			
Lease liabilities payable beyond 12 months	112.73	94.51	-
Total	**112.73**	**94.51**	**-**
Current			
Lease liabilities payable within 12 months	27.82	12.47	4.62
Total	**27.82**	**12.47**	**4.62**

i. Movement in lease liabilities
Reconciliation of Fair Value:

(Amount in INR Millions, unless other wise stated)

Particulars	Amount
At April 1, 2020	**13.08**
Additions	-
Finance cost accrued during the year (Refer Note No. 29)	0.84
Payment of lease liabilities	(8.70)
Rent concession income	(0.60)
At March 31, 2021	**4.62**
Additions	110.69
Finance cost accrued during the year (Refer Note No. 29)	3.43
Payment of lease liabilities	(11.76)
At March 31, 2022	**106.98**
Additions	47.55
Finance cost accrued during the year (Refer Note No. 29)	10.60
Payment of lease liabilities	(24.58)
At March 31, 2023	**140.55**

ii. The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Within one year	38.55	22.20	4.72
One to five years	127.61	112.10	-
More than five years	-	-	-
	166.16	**134.30**	**4.72**

(iii) The effective interest rate for lease liabilities is 10.00% as on March 31, 2023 (March 31, 2022 : 10.00% and March 31 2021 : 10.00%)

(iv) The Group had total cash outflow for leases (including the short-term leases) for March 31, 2023: INR 25.79 million (March 31, 2022: INR 12.30 million, March 31, 2021: INR 9.61 million).

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)

ANNEXURE -VII

NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Trade Payables due for payments :

19A Trade Payables Ageing Schedule as at 31 March 2023

(Amount in INR Millions, unless other wise stated)

Particulars			Outstanding for following periods from due date of payment				
	Accruals	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.86	17.78	26.43	-	0.02	-	**46.09**
(ii) Others	49.10	26.03	16.60	1.78	0.33	(0.04)	**93.80**
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

19A Trade Payables Ageing Schedule as at 31 March 2022

Particulars			Outstanding for following periods from due date of payment				
	Accruals	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.15	17.32	5.18	0.01	-	-	**23.66**
(ii) Others	18.07	14.34	18.80	0.05	-	0.02	**51.28**
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

19A Trade Payables Ageing Schedule as at 31 March 2021

Particulars			Outstanding for following periods from due date of payment				
	Accruals	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	8.98	9.73	-	-	-	**18.71**
(ii) Others	10.12	7.02	11.44	0.11	0.06	-	**28.75**
(iii) Disputed dues - MSME		-	-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-	-

(Amount in INR Millions, unless other wise stated)

22. PROVISIONS

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Non Current			
Provision for employee benefits			
Provision for gratuity (Refer Note No. 33)	16.26	15.82	13.61
Provision for compensated absence (Refer Note No. 33)	8.81	8.14	5.42
Total	**25.07**	**23.96**	**19.03**
Current			
Provision for employee benefits			
Provision for gratuity (Refer Note No. 33)	4.62	1.58	1.17
Provision for compensated absence (Refer Note No. 33)	3.10	1.90	1.24
Provision for Warranty*	26.17	24.11	2.78
Provision for Liquidated damages**	29.47	27.90	1.98
Total	**63.36**	**55.49**	**7.17**

*The Group records provision towards warranty for products wherein it has obligation for two years. Accordingly, provision had been recognised on the basis of management's expectation of warranty claims on such products.

Movements in Provision for Warranty	March 31, 2023	March 31, 2022	March 31, 2021
At the commencement of the year	24.11	2.78	1.75
Provision made during the year	26.17	24.11	2.48
Provision utilised during the year	(24.11)	(2.78)	(1.45)
At the end of the year	**26.17**	**24.11**	**2.78**

**Liquidated damages are contractual obligations affecting the revenue in case of the UAV systems delivery arising as a result of penalties arising from delays caused in the completion of a delivery. For delivery delayed beyond the stipulated delivery completion periods, management has estimated the liability that could arise on these contracts.

Additional disclosure relating to provision for liquidated damages	March 31, 2023	March 31, 2022	March 31, 2021
At the commencement of the year	27.90	1.98	0.96
Provision made during the year	1.57	31.29	2.13
Provision utilised during the year	-	(5.37)	(1.11)
At the end of the year	**29.47**	**27.90**	**1.98**

23. CURRENT TAX LIABILITY(NET)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Provision for tax (net of advance tax and tax deducted at source of 31 March 2023: INR 11.27 Million, 31 March 2022: INR 7.84 million, 31 March 2021: INR Nil)	66.25	8.89	-
Total	**66.25**	**8.89**	**-**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

24. REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contract with customers :			
Sale of products (I)			
UAVs	1,612.57	1,515.79	287.42
Spare items	23.44	23.51	22.72
Sale of service (II)			
Maintenance services	49.41	32.76	37.04
Training services	-	21.71	-
Others	0.34	0.51	-
Total (I + II)	**1,685.76**	**1,594.28**	**347.18**
Other Operating Revenues			
Performance Linked Incentives	174.20	-	-
Duty drawback	0.11	0.11	-
Total	**1,860.07**	**1,594.39**	**347.18**

*The Holding Company is entitled to performance linked incentive (PLI) for the FY 22-23. In absence of reliable estimates and considering the process of approval management has not accounted for the PLI for FY 22-23 in these consolidated financial statements.

Critical judgements in calculating amounts

The Group has recognised revenue amounting to INR 1636.01 million for March 31, 2023, INR 1,539.30 million for March 31, 2022, and INR 310.14 million for March 31, 2021 for sale of product UAVs and spare items to customers . The buyers have the right to warranty for the product sold as per the respective contracts. The Group believes that, based on past experience with similar sales of products, the warranty rate will not exceed 1%. The Group has, therefore, recognised revenue on these transactions with a corresponding provision against revenue for estimated warranty.

(i) Disaggregated revenue information :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products (transferred at a point of time)	**1,636.01**	**1,539.30**	**310.14**
India	1,619.65	1,533.34	310.14
Outside India	16.36	5.96	-
Sale of service (transferred over period of time)	**49.75**	**54.98**	**37.04**
India	49.75	54.98	37.04
Outside India	-	-	-

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Government of India (GoI):			
Sale of products	1,254.01	1,373.40	231.70
Sale of service	45.28	45.75	33.73
Total	**1,299.29**	**1,419.15**	**265.43**
Non Government:			
Sale of products	382.00	165.90	78.44
Sale of service	4.47	9.23	3.31
Total	**386.47**	**175.13**	**81.75**

(Amount in INR Millions, unless other wise stated)

(ii) Contract balances :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Contract assets (Unbilled revenue)	-	-	-
Contract liabilities (Advance from customers)	265.42	197.85	2.83

For Trade receivable Refer note 9

Movement in contract liabilities during the year:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Contract Liabilities (Advance from customers):			
Opening Balance	197.85	2.83	2.02
Revenue recognised that was included in the contract liability balance at the beginning of the year	(197.78)	(2.13)	(1.84)
Advance received during the year	265.35	197.15	2.65
Closing balance	**265.42**	**197.85**	**2.83**

(iii) Reconciling the amount of revenue recognised in the restated consolidated statement of profit and loss with the contracted price

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	1,688.64	1,625.57	349.31
Less : Liquidated damages	(2.88)	(31.29)	(2.13)
Total Revenue as per restated consolidated statement of profit and loss	**1,685.76**	**1,594.28**	**347.18**

(iv) Performance obligations
The performance obligation is satisfied upon delivery of the product and payment is generally due as per the contract with the customers. The performance obligation for sale of services is satisfied over the period of time as per contract with customer.

The transaction price allocated to the remaining performance obligations is as follows :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
To be recognised within one year	28.74	37.86	24.52
To be recognised in more than one year	13.65	45.51	83.37
Closing Balance	**42.39**	**83.37**	**107.89**

The remaining performance obligations expected to be recognised in more than one year relate to the Annual Maintenance Contract("AMC") revenue that is to be satisfied within few years. All the other remaining performance obligations are expected to be recognised within one year.

(Amount in INR Millions, unless other wise stated)

25. OTHER INCOME

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Interest income under the effective interest rate method on :			
Fixed Deposits	31.25	16.50	11.25
Financial assets at amortised cost (Security deposit)	0.78	0.19	0.19
Bonds	20.11	-	-
Dividend income	-	-	1.38
Fair valuation gain from investments designated at FVTPL	21.33	3.05	-
Profit on sale of Investment	20.62	-	-
Net gain on sale of property, plant and equipment	-	0.19	-
Foreign exchange fluctuation gain (Net)	3.65	-	-
Awards and honours	-	0.10	-
Rent Concession	-	-	0.60
Reversal of expected credit loss on trade receivables	-	-	2.03
Miscellaneous income	6.21	0.06	0.72
	103.95	**20.09**	**16.17**

26. COST OF MATERIALS CONSUMED

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of raw material as at beginning of the year	293.71	140.46	52.77
Add : Purchases for the year	1,155.61	672.48	315.17
Less: Capitalised in intangible assets under development (Refer Note No.6A)	(9.35)	(5.33)	(6.49)
Less : Inventory of raw material as at end of the year	(482.59)	(293.71)	(140.46)
	957.38	**513.90**	**220.99**

27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Inventories as at the beginning of the year			
Work - in - progress	20.48	6.72	2.99
Finished goods	174.95	87.02	52.79
Total	**195.43**	**93.74**	**55.78**
Less : Inventories as at the end of the year			
Work - in - progress	(39.13)	(20.48)	(6.72)
Finished goods	(525.10)	(174.95)	(87.02)
Total	**(564.23)**	**(195.43)**	**(93.74)**
Net decrease / (increase) in inventories	**(368.80)**	**(101.69)**	**(37.96)**

(Amount in INR Millions, unless other wise stated)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus*	371.46	276.83	186.63
Contribution to provident and other funds (Refer Note No.33)	5.58	4.38	4.47
Share based payments to employees** (Refer Note No.34)	276.99	62.78	58.88
Staff welfare expenses	8.10	5.07	2.58
Compensated Absences (Refer Note No. 33)	3.23	4.72	2.69
Defined benefit plan expenses (Refer Note No. 33)	3.91	3.33	3.11
Less : Capitalised in intangible assets under development (Refer Note No. 6A)	(160.14)	(88.58)	(65.87)
	509.13	**268.53**	**192.49**

* Salaries, wages and bonus amount is after netting off of amount capitalised in intangible assets under development (refer note no. 6A) for March 31, 2023 : INR 19.53 million (March 31, 2022 : INR 12.30 million and March 31, 2021 :INR 10.46 million)

** Share based payments to employees amount is after netting off of amount capitalised in intangible assets under development (refer note no. 6A) for March 31, 2023 : INR 12.69 million (March 31, 2022 : INR 3.71 million and March 31, 2021 :INR 3.18 million)

29. FINANCE COSTS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost on financial liabilities measured at amortised cost			
- On borrowings	37.24	49.09	9.46
- Interest on Lease liability (Refer Note No.21)	10.60	3.43	0.84
- Less : Capitalised in intangible assets under development (Refer Note No. 6A)	(2.04)	(0.71)	(0.29)
Fair value loss on financial liability measured at FVTPL	-	101.12	4.62
Interest cost on Net defined benefit liability (refer note 33)	1.15	0.93	0.77
Other borrowing costs (includes processing charges)	1.40	22.84	1.32
	48.35	**176.70**	**16.72**

30. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (Refer Note No.4)	17.82	5.97	2.95
Amortisation on intangible assets (Refer Note No. 6)	76.85	56.94	25.37
Depreciation on right -of- use assets (Refer Note No. 5)	29.06	12.47	9.82
Less : Capitalised in intangible assets under development (Refer Note No. 6A)	(5.15)	(2.54)	(2.33)
	118.58	**72.84**	**35.81**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

31. OTHER EXPENSES

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Lease expense	3.07	0.54	0.91
Less : Capitalised in intangible assets under development	(0.15)	-	-
Electricity charges	5.88	2.04	0.69
Less : Capitalised in intangible assets under development (Refer Note No. 6A)	(1.97)	(0.67)	(0.47)
Administration and office expenses	23.20	11.51	8.43
Less : Capitalised in intangible assets under development (Refer Note No. 6A)	(1.19)	(0.13)	(0.12)
Bank charges and commission	9.73	14.29	2.57
Marketing and advertising expenses	15.35	1.85	1.19
Repairs and maintenance expenses	3.87	4.28	1.45
Software expenses	9.72	4.88	3.68
Rates and taxes	17.28	8.35	1.23
Manpower recruitment cost	54.77	43.70	12.69
Less : Capitalised in intangible assets under development (Refer Note No.)	(3.80)	-	-
Legal and professional expenses	64.61	19.98	9.46
Less : Capitalised in intangible assets under development (Refer Note No.)	(22.95)	-	-
Travelling and conveyance expenses	51.46	23.89	12.02
Warranty expenses	26.17	24.11	2.48
Insurance expenses	4.85	2.76	1.99
Transport charges	13.34	11.42	11.48
Share Issue Expenses	-	-	1.39
Payment to auditor*	2.20	0.83	0.63
Expected Credit Loss on trade receivables	4.24	5.56	-
Loss on sale of investment in mutual funds	-	-	0.03
Director Sitting Fees	0.80	-	-
Corporate social responsibility Expenses (Refer Note No. 44)	1.20		
Miscellaneous expenses	9.75	3.24	8.61
Total	**291.43**	**182.43**	**80.34**

*The special purpose Audit fees will be recovered by the company from the selling shareholders upon successful completion of IPO in proportion to the shares that are expected to be offered to the pubic in offering.

32. EARNINGS PER SHARE

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
(a) Basic earnings per share			
Basic earnings per share attributable to the equity holders of the Holding company	8.55	13.84	(5.03)
Total basic earnings per share attributable to the equity holders of the Holding company	**8.55**	**13.84**	**(5.03)**
(b) Diluted earnings per share			
Diluted earnings per share attributable to the equity holders of the Holding company	8.12	13.13	(5.03)
Total diluted earnings per share attributable to the equity holders of the Holding company	**8.12**	**13.13**	**(5.03)**
(c) Par value per share	**10**	**10**	**10**
(d) Reconciliations of earnings used in calculating earnings per share			
Basic earnings per share			
Profit/(Loss) attributable to the equity holders of the Holding company used in calculating basic earnings per share	319.88	440.06	(146.26)
	319.88	**440.06**	**(146.26)**
Diluted earnings per share			
Profit/(Loss) attributable to the equity holders of the Holding company used in calculating basic earnings per share	319.88	440.06	(146.26)
Adjusted Profit/(Loss) attributable to the equity holders of the Holding company used in calculating diluted earnings per share	**319.88**	**440.06**	**(146.26)**
(e) Weighted average number of shares used as the denominator			
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	3,74,04,495	3,17,98,124	2,90,50,847
Adjustments for calculation of diluted earnings per share:	3,93,99,849	3,35,11,875	3,09,44,501
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**7,68,04,344**	**6,53,09,999**	**5,99,95,348**

Note :
(i) For March 31, 2021 - The Group has not considered CCPS- Series A and A1 and ESOPS outstanding as these are anti dilutive in nature. Thus Diluted EPS is considered same as Basic EPS.

(Amount in INR Millions, unless other wise stated)

33. EMPLOYEE BENEFITS OBLIGATIONS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Expense towards compensated absences included in Employee Benefits expense	3.23	4.72	2.69

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences (under Non-Current provisions) (Refer note 22)	8.81	8.14	5.42
Provision for compensated absences (under Current provisions) (Refer note 22)	3.10	1.90	1.24
Total	**11.91**	**10.04**	**6.66**

B. Defined Benefit Plan

(i) Description of Plan

Retirement Benefit Plan of the Group include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Group policies. Gratuity plan is unfunded.

(ii) Balance Sheet

The liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of obligations	20.88	17.40	14.78
(Liability) recognised in balance sheet	**(20.88)**	**(17.40)**	**(14.78)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (under Non-Current provisions) (Refer note 22)	16.26	15.82	13.61
Provision for gratuity (under Current provisions) (Refer note 22)	4.62	1.58	1.17
Total	**20.88**	**17.40**	**14.78**

Movements in Present Value of Obligation:

Particulars	Amount
As at March 31, 2020	**12.24**
Current service cost	3.11
Past service cost	-
Interest cost	0.77
Actuarial losses / (gains)	(0.75)
Benefits Paid	(0.59)
As at March 31, 2021	**14.78**
Current service cost	3.33
Past service cost	-
Interest cost	0.93
Actuarial losses / (gains)	(0.40)
Benefits Paid	(1.24)
As at March 31, 2022	**17.40**
Current service cost	3.91
Past service cost	-
Interest cost	1.15
Actuarial losses / (gains)	0.16
Benefits Paid	(1.75)
As at March 31, 2023	**20.87**

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

(iii) Restated consolidated statement of profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Employee Benefits Expense:			
Current service cost	3.91	3.33	3.11
Past service cost	-	-	-
	3.91	**3.33**	**3.11**
Finance costs:			
Interest cost	1.15	0.93	0.77
	1.15	**0.93**	**0.77**
Net impact on profit (before tax)	**5.06**	**4.26**	**3.88**
Remeasurement of the net defined benefit plans:			
Actuarial (gains)/losses arising from changes in financial assumptions	(1.38)	(0.50)	0.13
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.61)	-	-
Actuarial (gains)/losses arising from experience adjustments	2.15	0.10	(0.88)
Net impact on other comprehensive income (before tax)	**0.16**	**(0.40)**	**(0.75)**

(iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The significant actuarial assumptions were as follows:

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Mortality rate	**Indian Assured Lives Mortality (2012-14) Ult**	**Indian Assured Lives Mortality (2012-14) Ult**	**Indian Assured Lives Mortality (2012-14) Ult**
Discount rate	**7.30%**	**6.90%**	**6.55%**
Salary growth rate	**7.00%**	**8.00%**	**8.00%**
Retirement age	**60 years**	**60 years**	**60 years**
Employee attrition rate	**Refer table A below**	**11%**	**11%**

Table A

Employee Attrition Rate	As at March 31, 2023
Age (Years)	**Rate (P.a.)**
21-30	25%
31-40	23%
41-50	11%
51-59	4%

(Amount in INR Millions, unless other wise stated)

(v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars			As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	Increase	0.50%	(20.32)	(16.73)	(14.19)
	Decrease	0.50%	21.47	18.12	15.42
Salary escalation rate (per annum)	Increase	0.50%	21.30	17.97	15.32
	Decrease	0.50%	(20.46)	(16.85)	(14.27)

(vi) Expected future cash flows in respect of gratuity:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than a year	4.62	1.58	1.17
Between 2-5 years	11.05	7.48	6.11
More than 5 years	19.18	25.27	21.70

(vii) Weighted average duration of the defined benefit plan: **(Amount in INR Millions, unless other wise stated)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gratuity plan (in years)	**5.51**	**7.94**	**8.32**

C Defined contribution plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefits expense:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to provident fund and other funds	5.58	4.38	4.47

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE -VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

34.SHARE BASED PAYMENT

EMPLOYEE STOCK OPTION SCHEME, 2018 (EMPLOYEE STOCK OPTION PLAN) (ESOS/ESOP)

By way of a resolution passed by the Board on April 10, 2018 and a resolution passed by shareholders on May 2,2018, ESOS or ESOP 2018 was instituted pursuant to a resolution. The ESOP 2018 was amended by our Holding company pursuant to a resolution of our Board on December 9, 2020 and resolution dated December 31, 2020 of our Shareholders.
The ESOP 2018 was subsequently amended by our Holding company pursuant to a resolution of our Board on March 25, 2022 and resolution dated April 28, 2022 of our Shareholders. The maximum number of options which can be granted under ESOP 2018 is 21,935 options (prior to any bonus issue or Split of equity shares).
The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the Holding company. The plan is established is with effect from May 2, 2018 on which the shareholders of the Holding company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Holding company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Grant date	Number of instruments	Grant Date	Vesting Conditions	Exercise Period	Exercise Price (Rs.) per share	Weighted Average Exercise Price (Rs.) per share
Tranche 1 : May 02, 2018	4,779	02-May-18	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The exercise period for Options vested will be ten years from date of vesting subject to the terms and conditions with regards to exercising of options laid down in the Option Grant Letter	10	10
Tranche 2 : July 13, 2018	384	13-Jul-18			10	10
Tranche 3 : November 26, 2019	164	26-Nov-19			10	10
Tranche 4 : February 03, 2020	2,980	03-Feb-20			10	10
Tranche 5 : February 27, 2020	4,470	27-Feb-20			10	10
Tranche 6 : May 2, 2020	585	02-May-20			10	10
Tranche 7 : October 29, 2020	115	29-Oct-20			10	10
Tranche 8 : January 21, 2021	130	21-Jan-21			10	10
Tranche 9 : June 02, 2021	61	02-Jun-21			10	10
Tranche 10 : June 14, 2021	128	14-Jun-21			10	10
Tranche 11 : August 13, 2021	47	13-Aug-21			10	10
Tranche 12 : December 13, 2021	37	13-Dec-21			10	10
Tranche 13 : January 3, 2022	18	03-Jan-22			10	10

Tranche 14 : January 10, 2022	14	10-Jan-22			10	10
Tranche 15 : January 23, 2022	1,840	23-Jan-22			10	10
Tranche 16 : April 28, 2022	2,105	28-Apr-22			10	10
Tranche 17 : July 1, 2022	2,546	01-Jul-22			10	10
Tranche 18 : July 4, 2022	18	04-Jul-22			10	10
Tranche 19 December 1, 2022	106	01-Dec-22			10	10

The following table provides the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	**As at March 31, 2023**		**As at March 31, 2022**		**As at March 31, 2021**	
2018 Scheme	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Outstanding at the beginning of the year	**11,034**	**10**	**9,709**	**10**	**9,500**	**10**
Granted during the year	4,775	10	2,145	10	830	10
Exercised during the year	3,265	-	470	10	300	10
Lapsed/ forfeited /surrendered/expired during the year	44	-	350	10	321	10
Outstanding at the end of the year	**12,500**	**10**	**11,034**	**10**	**9,709**	**10**
Exercisable at the end of the year	-	-	2,938	10	1,330	10

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Dividend yield (%)	0.00%	0.00%	0.00%
Expected volatility (%)	49.00%-72.08%	49.00%-72.08%	50.00%-72.08%
Risk–free interest rate(%)	6.07%-7.75%	6.07%-7.75%	6.07%-7.75%
Expected life of share option	6-15years	6-15years	6-15years
Model Used	Black Scholes valuation model	Black Scholes valuation model	Black Scholes valuation model

Effect of share based payment transactions on the restated consolidated statement of profit and loss:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Equity settled share based payments	276.99	62.78	58.88
Total expense recognized under "Employee benefits expense"	**276.99**	**62.78**	**58.88**

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Weighted Avg. Share Price of options exercised on the date of exercise*	48,703.00	23,363.33	19,246.52
Average remaining contractual life of options (years) as at the end of the year	11 years	7-10 years	7-10 years

*Weighted Avg. Share Price of options exercised on the date of exercise is pre bonus issue in case of FY 2022-23

(Amount in INR Millions, unless other wise stated)

35. RELATED PARTY TRANSACTIONS

Disclosure of prior / post to elimination of group entries to be stated. *

A. Names of the related parties of the Group

ideaForge Technology Inc (w.e.f. September 6, 2022) Place of incorporation : USA

KGV And Co.- Firm where non-executive director is Partner

Key management personnel (KMP)

Name of Related Party	Nature of Relationship
Mr. Ankit Mehta	Whole Time Director
Mr. Rahul Singh	Whole Time Director
Mr. Ashish Bhat	Whole Time Director
Mrs. Sutapa Banerjee	Non executive Independent Director
Mr. Vikas Bhalia	Non executive Independent Director
Mr. Srikanth Velamakanni	Non executive Independent Director
Mr. Mathew Cyriac	Non executive Director (With effect from June 24, 2022)
Mr. Ganapathy Subramaniam	Non executive Director
Mr. Vipul Joshi	Chief Financial Officer (With effect from October 15, 2022) Vice President - Operations (Till October 15, 2022)
Mrs. Sonam Gupta	Company Secretary (With effect from December 15, 2022)
Mr. Vishal Saxena	Vice President - Sales & Business Development

B. Disclosure of transactions between the Group and related parties

Name	Nature of Transaction	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Mr. Ankit Mehta	Salary, wages and bonus	12.46	6.97	3.39
Mr. Ashish Bhat	Salary, wages and bonus	12.46	6.96	3.51
Mr. Rahul Singh	Salary, wages and bonus	12.46	6.92	3.39
Mr. Vipul Joshi	Salary, wages and bonus	12.46	6.72	3.39
Mr. Sutapa Banerjee	Director's sitting fees	0.40	-	-
Mr. Vikas Bhalia	Director's sitting fees	0.20	-	-
Mr.Srikanth Velamakani	Director's sitting fees	0.20	-	-
Mr. Vishal Saxena	Salary, wages and bonus	17.34	21.73	6.62
Mrs.Sonam Gupta	Salary, wages and bonus	0.33	-	-
Mr. Ankit Mehta	Reimbursement of expenses	1.71	0.83	0.95
Mr. Ashish Bhat	Reimbursement of expenses	0.55	2.24	8.81
Mr. Rahul Singh	Reimbursement of expenses	0.24	0.08	0.44
Mr. Vipul Joshi	Reimbursement of expenses	0.81	3.26	12.84
Mr. Vishal Saxena	Reimbursement of expenses	0.34	0.04	-
Mr. Ganapathy Subramaniam	Interest expense on short-term borrowings	0.07	4.51	3.61
Mr. Ganapathy Subramaniam	Loan Taken (Borrowing)	-	97.00	70.00
Mr. Ganapathy Subramaniam	Loan Repaid (Borrowing)	53.50	43.50	70.00
Mr. Ganapathy Subramaniam	Issue of preference share capital	55.73	-	-
Mr. Ganapathy Subramaniam	Share based payments charged to P&L	74.03	16.64	-
KGV And Co.	Professional fees charged	11.64	-	-
Mr. Vipul Joshi	Share based payments charged to P&L	95.77	-	-
Mr. Mathew Cyriac	Share based payments charged to P&L	65.79	-	-

(Amount in INR Millions, unless other wise stated)

C. Status of outstanding balances :

Name	Nature of Transaction	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Mr. Ankit Mehta	Employee benefits payable	-	-	0.28
Mr. Ashish Bhat	Employee benefits payable	-	-	0.26
Mr. Rahul Singh	Employee benefits payable	-	-	0.30
Mr. Vipul Joshi	Employee benefits payable	-	-	0.30
Mr. Ganapathy Subramaniam	Short-term borrowings payable	-	53.50	-
Mr. Ganapathy Subramaniam	Interest payable	-	3.00	-

*There are no transactions with subsidiary. Hence pre and post elimination amounts are same.

Unlisted secured debentures and working capital facilitates taken from financial institutions are secured against the personal guarantee of the whole time director. Outstanding amount of debentures as on March 31, 2023: INR Nil, March 31, 2022 :INR Nil, and March 31, 2021 is INR 150 Millions.

The KMP's are covered under the Group's gratuity scheme along with the other employees of the Group. The gratuity liability is determined for all the employees on the basis of actuarial valuation. Accordingly, the amount pertaining to the KMP's are not ascertainable and, therefore, not included above.

D. Details of guarantees of key management personnel and shares pledged:

Shares pledged details

i) Personal guarantee of Mr. Ankit Mehta, Mr. Rahul Singh, Mr. Ashish Bhat and Mr. Vipul Joshi given to Blacksoil India Pvt. Ltd. in FY 2020-21, Northern Arc Capital and Export Import Bank of India in FY 2021-22 and Axis bank, HDFC bank and Export Import Bank of India in FY 2022-23.

ii) Pledged of 8,221 Equity shares (2,471 owned by Mr. Ankit Mehta, 2,397 owned by Mr. Rahul Singh, 2397 owned by Mr. Ashish Bhat and 956 owned by Mr. Vipul Joshi) to Blacksoil Capital Ltd. for Non convertible debenture issued in February-2021 and the same have been released November-2022.

iii) Pledged of 10,269 Equity shares (3,086 owned by Mr. Ankit Mehta, 2,994 owned by Mr. Rahul Singh 2,994 owned by Mr. Ashish Bhat and 1,195 owned by Mr. Vipul Joshi) to Northern Arc Capital Ltd. for working capital loan facility in June-2021 and the same have released in June-2022.

iv) Pledged of 22,234 Equity shares (6,682 owned by Mr. Ankit Mehta, 6,483 owned by Mr. Rahul Singh, 6,483 owned by Mr. Ashish Bhat and 2,586 owned by Mr. Vipul Joshi) to Export Import Bank of India for Fund based and non fund based limits in July-21 and the same have released in December-22.

E. Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables other than those mentioned in note 35D

(Amount in INR Millions, unless other wise stated)

36. OPERATING SEGMENT

The Group is exclusively engaged in the business of manufacture and marketing of UAV systems which are used for security and surveillance. The ancillary business of providing training and maintenance service evolve around the main business of manufacture and marketing of UAV systems. Based on Management Approach, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of overall country level performance indicators.
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the restated consolidated financial statements of the Group as a whole.

The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Operating Decision Maker (CODM).

There is only one reporting segment and has no reportable segment as per IND AS 108 - Operating Segment

Information about Geographical Areas :
Revenue from External Customers
The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
India	1,669.40	1,588.32	347.18
Outside India	16.36	5.96	-
Total	**1,685.76**	**1,594.28**	**347.18**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Non current assets*			
India	968.93	757.03	411.70
Outside India	-	-	-
	968.93	**757.03**	**411.70**

*** Non-current assets excludes financial instruments, non-current tax assets (net) and deferred tax assets.**

Revenue from Major Customers
The Group earns revenue from few of its major customers which individually amounts to 10 per cent or more of the Group's revenues. Details of such customers (i.e. the total amount of revenues from each such customer) are disclosed below. Revenue from such customers are reported under all the segments of the Group.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Customer 1	-	-	132.98
Customer 2	1,245.98	1,269.46	-
Customer 3	187.65	-	-
	1,433.63	**1,269.46**	**132.98**

(Amount in INR Millions, unless other wise stated)

37. CAPITAL MANAGEMENT

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group (which is the Group net asset value). The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to adjusted equity ratio was as follows.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Borrowings (refer note.17)	865.04	56.76	505.74
Lease Liabilities (refer note. 21)	140.55	106.98	4.62
Total debt liabilities	**1,005.59**	**163.74**	**510.36**
Less: Cash and Cash Equivalents (refer note10)	(45.04)	(304.16)	(52.59)
Adjusted Net Debt	**960.55**	**(140.42)**	**457.77**
Total/ Adjusted Equity	**3,247.21**	**1,633.03**	**597.48**
Adjusted net debt to adjusted equity ratio	**0.30**	**(0.09)**	**0.77**
Debt equity considering only borrowings as debt	**0.31**	**0.10**	**0.85**

(Amount in INR Millions, unless other wise stated)

38. FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

Particulars	Note	Carrying Amount/ Fair Value		
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
FINANCIAL ASSETS				
Financial assets measured at fair value				
Investments measured at- Fair value through profit or loss	7A	1,240.76	106.50	-
Financial assets measured at amortised cost				
Investment	7A	10.00		
Trade Receivables	9	578.16	203.07	237.50
Cash and Cash Equivalents	10	45.04	304.16	52.59
Bank Balances other Cash and cash equivalents	11	19.93	46.62	88.72
Loans	7B	0.85	0.61	0.44
Other Financial Assets	7C	625.19	347.90	214.26
Total		**2,519.93**	**1,008.86**	**593.51**
FINANCIAL LIABILITIES				
Financial liabilities measured at fair value				
Borrowings	17	-	-	302.57
Financial liabilities measured at amortised cost				
Borrowings	17	865.04	56.76	203.17
Trade Payables	19	139.89	74.94	47.47
Lease Liabilities	21	140.55	106.98	4.62
Other Financial Liabilities	18	51.01	54.76	49.52
Total		**1,196.49**	**293.44**	**607.35**

B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Quoted prices for identical instruments in an active market;
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

Particulars	Note	As at March 31, 2023	Fair value measurement at end of the reporting period		
			Level 1	Level 2	Level 3
Financial assets and liabilities measured at the fair value					
Investment in mutual funds and Bonds	7A	1,240.76		1,240.76	-
Borrowings	17	-	-	-	-
Financial assets and liabilities not measured at the fair value					
Borrowings	17	-		-	

Particulars	Note	As at March 31, 2022	Fair value measurement at end of the reporting period		
			Level 1	Level 2	Level 3
Financial assets and liabilities measured at the fair value					
Investment in mutual funds and Bonds	7A	106.50		106.50	-
Borrowings	17	-	-	-	-
Financial assets and liabilities not measured at the fair value					
Borrowings	17	0.24		0.24	

Particulars	Note	As at March 31, 2021	Fair value measurement at end of the reporting period		
			Level 1	Level 2	Level 3
Financial assets and liabilities measured at the fair value					
Investment in mutual funds and Bonds	7A	-	-	-	-
Borrowings	17	302.57	-	302.57	-
Financial assets and liabilities not measured at the fair value					
Borrowings	17	53.17		53.17	

There have been no transfers among Level 1, Level 2 and Level 3 during the reporting period

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the period/year ended March 31, 2023, March 31, 2022 and March 31, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately as it approximates the carrying value.

39. FINANCIAL RISK MANAGEMENT

The Holding company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Holding company's senior management has the overall responsibility for establishing and governing the Group risk management framework. The Holding company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Holding company's risk management policies. The Holding company's risk management policies are established to identify and analyse the risks faced by the Holding company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Holding Company.

(A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Holding company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Holding company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

The Holding company's exposure to credit risk is the exposure that Holding company has major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received.

The Holding company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Holding company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a simplified provision matrix.

The Holding company has considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 9 for ageing for trade receivables from the due date of payment.

The provision for impairment of trade receivables, movement of which has been provided in note 9

Other financial assets

The Holding company maintains exposure in cash and cash equivalents and term deposits with banks. The Holding company has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Holding company's maximum exposure to credit risk as at March 31, 2023, March 31, 2022, and March 31, 2021 is the carrying value of each class of financial assets.

(Amount in INR Millions, unless other wise stated)

39. FINANCIAL RISK MANAGEMENT

(B) Liquidity risk

Liquidity risk is the risk that the Holding company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The holding company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Holding company's reputation.

The Holding company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing arrangements

The Holding company had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash credit facilities (includes bank overdraft and working capital facilities)	436.45	94.16	33.31
	436.45	**94.16**	**33.31**

Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts / payments and exclude the impact of netting agreements.

			Undiscounted Amount		
Particulars	**Note**	**Carrying Value**	**Within 1 year**	**More than 1 year**	**Total**
March 31, 2023					
Non-derivatives					
Borrowings	17	865.04	865.04	-	865.04
Lease Liabilities	21	140.55	27.82	112.73	140.55
Trade payables	19	139.89	139.89	-	139.89
Other financial liabilities	18	51.01	51.01	-	51.01
Total non derivative liabilities		1,196.49	1,083.76	112.73	1,196.49
March 31, 2022					
Non-derivatives					
Borrowings	17	56.76	56.76	-	56.76
Lease Liabilities	21	106.98	12.47	94.51	106.98
Trade payables	19	74.94	74.94	-	74.94
Other financial liabilities	18	54.76	54.76	-	54.76
Total non derivative liabilities		293.44	198.93	94.51	293.44
March 31, 2021					
Non-derivatives					
Borrowings	17	505.74	127.93	377.82	505.74
Lease Liabilities	21	4.62	4.62	-	4.62
Trade payables	19	47.47	47.47	-	47.47
Other financial liabilities	18	49.52	49.52	-	49.52
Total non derivative liabilities		607.35	229.54	377.82	607.35

(Amount in INR Millions, unless other wise stated)

(C) Market risk
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Holding company's income or the value of its holdings of financial instruments.

The Holding company size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:
- currency risk
- price risk
- interest rate risk

(i) currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Holding company is Indian Rupees . The Holding company does not enter into any derivative instruments for trading or speculative purposes. The Holding company's borrowings are all in Indian rupees.

The carrying amounts of the Holding company's foreign currency denominated monetary items are as follows:

	Amount in USD	Equivalent amount in INR for USD Amount	Amount in AED	Equivalent amount in INR for AED Amount	Amount in EUR	Equivalent amount in INR for EUR Amount	Amount in NZD	Equivalent amount in INR for NSD Amount	Total Amount in INR
March 31, 2023									
Trade Receivables	0.11	9.35	-	-	-	-	-	-	9.35
Cash in foreign currency	0.00	0.08	-	-	-	-	-	-	0.08
Trade Payables	(0.04)	(3.69)			(0.00)	(0.03)			(3.72)
Net exposure to foreign currency risk	**0.07**	**5.74**	**-**	**-**	**(0.00)**	**(0.03)**	**-**	**-**	**5.71**
March 31, 2022									
Trade Receivables	0.08	6.27	-	-	-	-	-	-	6.27
Cash in foreign currency	0.00	0.07	0.00	0.02	-	-	-	-	0.09
Trade Payables	(0.06)	(4.40)	-	-	(0.00)	(0.03)	-	-	(4.43)
Net exposure to foreign currency risk	**0.02**	**1.94**	**0.00**	**0.02**	**(0.00)**	**(0.03)**	**-**	**-**	**1.93**
March 31, 2021									
Trade Receivables	-	-	-		-	-	-	-	-
Cash in foreign currency	0.00	0.07	0.00	0.02	-	-	-	-	0.09
Trade Payables	(0.09)	(6.94)	-	-	(0.00)	(0.03)	-	-	(6.97)
Net exposure to foreign currency risk	**(0.09)**	**(6.87)**	**0.00**	**0.02**	**(0.00)**	**(0.03)**	**-**	**-**	**(6.88)**

The below table demonstrates the sensitivity to a 1% increase or decrease in the foreign currency against INR with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Holding company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

Particulars		**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
1% strengthening of INR compared to USD	Profit or (Loss)	(0.06)	(0.02)	0.07
1% strengthening of USD compared to INR	Profit or (Loss)	0.06	0.02	-0.07
1% strengthening of INR compared to AED	Profit or (Loss)	-	(0.00)	(0.00)
1% strengthening of AED compared to INR	Profit or (Loss)	-	0.00	0.00
1% strengthening of INR compared to EUR	Profit or (Loss)	(0.00)	0.00	0.00
1% strengthening of USD compared to INR	Profit or (Loss)	0.00	(0.00)	(0.00)
1% strengthening of INR compared to NZD	Profit or (Loss)	-	-	-
1% strengthening of NZD compared to INR	Profit or (Loss)	-	-	-

(ii) Price risk
The holding company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. The Holding company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds and bonds

The carrying amounts of the Holding company's investment in mutual funds and bonds are as follows:

(Amount in INR Millions, unless other wise stated)

Particulars		As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investments in mutual funds		977.49	106.64	-
Sensitivity analysis:				
1% increase in prices	Profit or (Loss)	9.77	1.07	-
1% decrease in prices	Profit or (Loss)	(9.77)	(1.07)	-
Investments in bonds		263.27	-	-
Sensitivity analysis:				
1% increase in prices	Profit or (Loss)	2.63	-	-
1% decrease in prices	Profit or (Loss)	(2.63)	-	-

(iii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Holding company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Holding company to cash flow interest rate risk.
During March 31, 2023 , March 31, 2022, and March 31, 2021, the Holding company's borrowings at variable rate were denominated in INR.

The Holding company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market

The interest rate profile of the Holding company's interest-bearing financial instruments as reported to the management of the Holding company is as follows.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fixed-rate instruments			
Financial assets	1,250.76	106.50	-
Financial liabilities	-	56.76	453.14
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	865.04	-	52.60

Cash flow sensitivity analysis for variable-rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	37.24	49.09	9.46
Impact - Profit or (Loss)			
Interest rates - increase by 100 basis points	(0.37)	(0.49)	(0.09)
Interest rates - decrease by 100 basis points	0.37	0.49	0.09

Note - INR 0.00 denotes amount less than INR 5000.00

(Amount in INR Millions, unless other wise stated)

40. COMMITMENTS AND CONTINGENCIES

A. Commitments

i. Capital Commitments
Capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	4.92	-	-

ii. Lease Commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Not later than one year	0.71	1.46	0.13
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
	0.71	**1.46**	**0.13**

iii Other commitments

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Preference share dividend on convertible cumulative preference shares*	0.00	0.00	0.00

*Since 67,242 numbers of CCPS shares, held by 9 shareholders, will be converted to equity shares, preference dividend of INR 0.00 has not been provided for.

B. Contingent Liabilities	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts			
Demands raised by income tax authorities*	35.22	35.22	35.22
Demands raised by indirect tax authorities**	34.33	34.33	34.33

Brief description of the nature of each contingent liability
* During the previous year the Assessing officer (AO) while finalizing the assessment for FY 2016-17 has made disallowances of share premium by rejecting the Discounted Cash Flow (DCF) method of valuation of shares and in place of the DCF method, the AO has adopted Net Asset Value (NAV) method and consequently has raised an Income tax demand of INR 35.22 millions. Subsequently the Group has filed an appeal with Commissioner of Income Tax (Appeal) against the AO order and filed application for stay of demand. Further the Group has also paid an advance at the time of filing the appeal which is included under Balance with government authorities of INR 2.16 millions for FY 2021-22 and for FY 2020-21 INR 1.53 millions. Based on management's internal assessment given the relatively preliminary nature of the litigation, considering various favourable cases in this regards and advise from the Group's consultants, Management is of the view that they have a good case and likelihood that the litigation will go against the Group is remote. However, due to the nature of the case, the Group has disclosed the litigation as at March 31, 2023, March 31, 2022, and March 31, 2021 year end restated consolidated financial information as contingent liability.

** During the Audit Assessment proceedings, no body attended the assessment proceedings as such dealer is assessed on the available record online. Perusal of the purchase statement filed by the dealer alongwith returns submitted available online cross checked with the Computer folder of the Checkpost Lakhanpur as available revealed that the dealer has not accounted for the purchases amounting to INR 57.13 million.
Accordingly, in response to the VAT- 83 issued vide this office No. 2342/ STOP dated February 5, 2020 nobody attended the office. Hence it is construed that dealer has nothing to say in this behalf. Accordingly the concealed purchases of INR 57.13 million after adding profit and incidental charges, the taxable turnover of INR 62.85 million added to the total taxable turnover of the dealer and liable to be taxed@ 14.5% . Hence liability of the dealer is determined at INR 34.33 million till contrary comes to notice against the dealer:
1. That the order under appeal is against the law and facts of the case.
2. That the Assessing Authority has not been justified in creating additional demand of tax when on the facts and circumstances of the case, no additional demand could be created.
3. That the Assessing Authority lacks jurisdiction to assess the case as the basic principle to assess a case is to issue/serve statutory notice to assume jurisdiction which lacks in the case of the appellant.
4. That the Assessing Authority has erred in law in not providing a reasonable opportunity of being heard to the appellant, thus denying the Principles of Natural justice.
5. That the Assessing Authority has erred in law in observing that the appellant through its representative attended the proceedings of assessment but no additional document was demanded from the appellant.
6. That the Assessing Authority has not been justified in not giving opportunity to the appellant to rebut the alleged purchases or to justify the same which amounts to denial of justice.
7. That the appellant has declared all the sales which is accepted by the Assessing Authority in the assessment order itself. However, the Authority has taxed the amount of disputed / alleged purchases without any evidence on record.
8. That under the taxing statutes, no transaction can be taxed on mere surmises, conjectures and assumptions. Thus the order is liable to be quashed.
9. That the Assessing Authority also erred in demanding interest u/s 51(4) of J&K VAT Act, as the appellant is not in default in making the payment under the said section. In any case, the appellant is not liable to pay any interest as no additional tax is legally payable and no interest could be demanded for a period before assessment.
10. That the penalties imposed are also contested as no notices for the imposition of penalties have been issued/served. Moreover, the penalties imposed are not sustainable in law.
11. That the penalty imposed u/s 69(1)(f) for concealment of purchases has been wrongly imposed, more so when the appellant has not admitted the same in the proceedings even when the Assessing Authority affirms that the appellant has not attended the proceedings.
12. That in any case, it is submitted that the default, if any, in not attending the case is only on account of the pandemic in the month of March 2020 where the Offices remained closed for the period

Note: In respect of Supreme Court Judgement on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. In view of the management, the liability for the period from the date of the SC order to March 31, 2019 is not significant and has not been given effect to in the books of account.

There are no other contingent liabilities as on March 31, 2023 : INR Nil (March 31, 2022:INR Nil, March 31, 2021 :INR Nil)

C. Contingent assets

There are no other contingent Assets as on March 31, 2023 : INR Nil (March 31, 2022:INR Nil, March 31, 2021 :INR Nil)

Note - INR 0.00 denotes amount less than INR 5000.00

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

41. SHARE OF ENTITIES IN GROUP

Name of Entity	As at 31 March 2023		For the year ended 31 March 2023							
	Net Assets (Total Assets - Total Liabilities)		Share in Sale of products and services		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated sale of products	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent										
ideaForge Technology Limited	100%	3,126.67	100%	1,395.37	100%	435.86	100%	(0.31)	100%	435.55
Subsidiary										
Indian										
ideaForge Technology Inc	-	-	-	-	-	-	-	-	-	-
Inter-company eliminations	-	-	-	-	-	-	-	-	-	-
	100%	3,126.67	100%	1,395.37	100%	435.86	100%	(0.31)	100%	435.55

Note: The holding company did not have any subsidiary, associate or joint venture for the year ended 31st March 2022 and 31st March 2021.

42. FIRST TIME ADOPTION

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group has prepared its first set of statutory financial statements as per Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) for the year ended March 31, 2023 and consequently April 1, 2021 is the transition date for preparation of such statutory financial statements.

In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses (Revised 2019), the Restated consolidated Financial Information for the year ended March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101.

Upto the financial year ended March 31, 2022, the Group prepared its financial statements in accordance with accounting standards prescribed under Section 133 of the Companies Act, 2013 ("Indian GAAP"). Also refer to Note 2.1.

A. Exemptions and exceptions availed on first time adoption of Ind AS
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS optional exemptions

i. Cumulative translation differences
i. Deemed cost for Property, Plant and Equipment and Intangible assets
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and Intangible assets as recognised in the consolidated financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date.

ii. Leases:
The Group has adopted Ind AS 116 following the full retrospective approach. The Group has applied the following available practical expedients wherein it:
a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

2. Ind AS mandatory exceptions

i. Estimates
On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:
- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

ii. Share based payment transactions
A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based Payment to equity instruments that were vested on or before the date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which Ind AS 102 has not been applied, the entity is also not required to apply Ind AS 102 requirements for modifications of awards if the modification occurred before the date of transition to Ind AS.

iii. Classification and measurement of financial assets:
The Group has classified the financial assets in accordance with IndAS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(Amount in INR Millions, unless other wise stated)

42 **42. FIRST TIME ADOPTION**

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of total Equity between previous GAAP and Ind AS for the Year ended March 31, 2022 and March 31, 2021

Particulars	Note	March 31, 2022	March 31, 2021
Total equity (shareholder's funds) as per previous IGAAP		1,218.99	603.95
Adjustments:			
Provision for expected credit losses on trade receivables	6	(7.61)	(2.05)
Ind AS 116 transition impact	2	(3.43)	(3.43)
Interest on lease liabilities	2	(5.83)	(2.40)
Depreciation on ROU	2	(24.87)	(13.44)
Reversal of lease expenses	2	28.86	17.50
Fair value income on security deposit	5	0.54	0.35
Interest expense on fair valuation of CCD	9	-	(4.62)
Tax effects of adjustments	3	2.84	1.02
Rent concession income	2	0.60	0.60
Equity component of compound financial instruments (refer note 17)	9	422.84	-
Instrument entirely in the nature of equity (CCD)	9	0.10	-
Total adjustments		**414.04**	**(6.47)**
Total Equity as per Ind AS		**1,633.03**	**597.48**

(ii). Reconciliation of total comprehensive income between previous GAAP and Ind AS for the year ended March 31, 2022 and March 31, 2021

Particulars	Note	March 31, 2022	March 31, 2021
Profit after tax as per previous IGAAP		**548.52**	**(142.86)**
Adjustments:			
Remeasurement of gains (losses) on defined benefit plans	4	(0.40)	(0.75)
Depreciation On Right Of Use	2	(11.42)	(6.78)
Reversal of rental expenses for which right of use assets have been recognised	2	11.36	7.99
Interest On Lease Liability	2	(3.43)	(0.84)
Fair value income on security deposit	5	0.19	0.19
Provision for expected credit losses on trade receivables	6	(5.56)	2.03
Interest expense on fair valuation of CCD	9	(101.12)	(4.62)
Income tax effect	3	1.92	(1.22)
Rent concession income	2	-	0.60
Total adjustments		(108.46)	**(3.40)**
Profit after tax as per Ind AS		**440.06**	**(146.26)**
Other comprehensive income			
Remeasurement of gains (losses) on defined benefit plans	4	0.40	0.75
Income tax effect	4	(0.10)	(0.24)
Total comprehensive income as per Ind AS		**440.36**	**(145.75)**

C. Notes to first-time adoption and Ind AS Adjustment/Restatement :

Note 1: Fair valuation of investments
Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the restated consolidated statement of profit and loss for the year ended March 31, 2023, March 31, 2022, March 31, 2021

ideaForge Technology Limited (Formerly Known as ideaForge Technology Private Limited)
ANNEXURE - VII
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

(Amount in INR Millions, unless other wise stated)

Note 2: Leases

Ind AS 116 standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2020 being the date of transition and rolled back the impacts on the leases more than 1 year, if any, as on April 1, 2019 which resulted in to recognition of right-of-use assets, lease liabilities and consequent changes in the restated consolidated statement of profit and loss and cashflows. Also, interest free lease security deposits were recorded at their transaction value under the Indian GAAP. However, under IndAS, all material financial assets are required to be recognised at fair value.

Accordingly, the Group has fair valued security deposits by discounting them over the lease period under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent which has been adjusted in the value of ROU asset for respective year.

-

Restated consolidated Statement of Profit and Loss	As at March 31, 2022	As at March 31, 2021
Depreciation On Right Of Use	(11.42)	(6.78)
Reversal of rental expenses for which right of use assets have been recognised	11.36	7.99
Interest On Lease Liability	(3.43)	(0.84)
Rent concession income	-	0.60
	(3.49)	**0.97**

-

Restated consolidated Statement of Assets and Liabilities	Year ended 31 March 2022	Year ended 31 March 2021
Ind AS 116 transition impact	(3.43)	(3.43)
Interest on lease liabilities	(5.83)	(2.40)
Depreciation on ROU	(24.87)	(13.44)
Reversal of lease expenses	28.86	17.50
Rent concession income	0.60	0.60
	(4.67)	**(1.17)**

Note 3: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Restated consolidated Statement of Profit and Loss	As at March 31, 2022	As at March 31, 2021
Income tax effect	1.92	(1.22)

-

Restated consolidated Statement of Assets and Liabilities	As at March 31, 2022	As at March 31, 2021
Tax effects of adjustments	2.84	1.02

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Restated consolidated Statement of Profit and Loss	As at March 31, 2022	As at March 31, 2021
Remeasurement of gains (losses) on defined benefit plans	0.40	0.75
Remeasurement of gains (losses) on defined benefit plans	(0.40)	(0.75)
Income tax effect	(0.10)	(0.24)

Note 5: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been adjusted in the value of ROU Assets.

Note 6: Trade and Other Receivables

Under Previous GAAP, provision for doubtful trade receivables was recognised under an incurred loss model. Under Ind AS, an allowance for trade receivable are recognized using the expected credit loss model.

Accordingly, an allowance for expected credit loss model has been recognised in the restated financial information.

The impact of INR 4.24 Millions, INR 5.27 Millions and INR 3.51 Millions for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively has been recognized in the restated statement of profit and loss.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the restated consolidated statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 8: Compulsory Convertible preference shares

The group has issues compulsory convertible preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. Since the dividend rate is not significant, liability is not calculated there on and not separated from compulsory convertible preference share.

43. OTHER STATUTORY DISCLOSURES

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group have not traded or invested in Crypto currency or Virtual Currency during reporting year.

(iii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(vi) The Group does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(vii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting year.

(ix) The Group shall disclose as to whether the fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Since, the Group does not have any investment property during any reporting year, the said disclosure is not applicable.

(x) Section 8 of the Companies Act, 2013 Group is required to disclose grants or donations received during the year. Since, the Group is not covered under Section 8 of the Companies Act, 2013, the said disclosure is not applicable.

(xi) There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting year.

(xii) The Group has not identified any transactions or balances in any reporting year with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ix) The Group has no unrecorded transactions in books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(xv) There are no charge or satisfaction yet to be registered with ROC beyond the statutory period by the Group as at the reporting year.

The Group has neither declared nor paid any dividend during the reporting year.

44. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The aggregate amount of expenditure incurred during the year by the group on Corporate Social Responsibility (CSR) is 1.2 million (previous year Nil) and is shown separately under note 31 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.
As per section 135 of the Companies Act, 2013, the Following year wise amount was utilized as financial contribution towards CSR Activities:

(Amount in INR Millions, unless other wise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
(a) Gross amount required to be spent by the group during the year	1.20	NA	NA
(b) Amount incurred during the year on:	-		
Ongoing Projects	-		
Other than Ongoing Projects	-		
(i) Child Education	0.73		
(ii) Environment, Health, Women Empowerment	0.20		
(iii) Zero Hunger, and quality education	0.25		
(iv) Women Empowerment	0.01		
Total	1.19		
(c) Shortfall/ (Excess) at the end of year	0.01		
(d) Total of previous years shortfall	Nil		
(e) Reason of Shortfall			

i) There were no CSR spends which were incurred by the Group through its related party.
ii) In respect of other than ongoing projects, the Group is in the process of transferring the unspent amount of 0.01 million for the year ended March 31, 2023 to a Prime Minister Relief Fund as per schedule VII of Companies Act, 2013.

45. SUBSEQUENT EVENTS

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 29, 2023, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

Significant Accounting Policies and Notes on Accounts form an integral part of the Restated Consolidated Financial Information.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No: 108511

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors of
ideaForge Technology Limited (Formerly known as ideaForge Technology Private Limited)
CIN : U31401MH2007PLC167669

Ankit Mehta
Chief Executive Officer and Whole Time Director
DIN: 02108289

Rahul Singh
Whole Time Director
DIN: 02106568

Vipul Joshi
Chief Financial Officer

Sonam Gupta
Company Secretary
Membership No: A53881

Place: Mumbai
Date: May 29, 2023

OTHER FINANCIAL INFORMATION

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below.

(in ₹ million other than share data)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Restated earnings per Equity Shares - Basic (in ₹)	8.55	13.84	(5.03)
Restated earnings per Equity Share – Diluted (in ₹)	8.12	13.13	(5.03)
Return on Net Worth (%)	9.85	26.95	(24.48)
Net Asset Value per Equity Share (in ₹)	86.81	51.36	20.57
EBITDA	574.88	751.31	(92.51)

Notes:

1. *Basic EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / weighted average number of Equity Shares during the year.*
2. *Diluted EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of dilutive Equity Shares during the year.*
3. *Net Asset Value per Equity Share means net worth attributable to the owners of our Company divided by weighted average number of Equity Shares outstanding at the end of the period/ year.*
4. *Return on net worth is computed as restated net profit / (loss) after tax attributable to equity holders of our Company divided by restated net worth for equity shareholders of our Company.*
5. *The Equity Shares and Basic/Diluted earning per share has been presented to reflect the adjustments for issue of bonus shares subsequent to September 30, 2022 in accordance with Ind AS 33-Earning per share.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for the year ended March 31, 2023, March 31, 2022, and March 31, 2021, and the reports thereon dated May 29, 2023, September 4, 2022, and September 8, 2021, respectively ("**Audited Financial Statements**") are available on our website at https://ideaforgetech.com/investor-relations/financial-information. Our Company does not have a material subsidiary, as on the date of this Red Herring Prospectus.

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 Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders may have significant influence and should not be relied upon or used as a basis for any investment decision. None of the BRLMs or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Consolidated Financial Information included in this Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, the financial as at and for Fiscals 2023, 2022 and 2021, included herein is derived from the Restated Consolidated Financial Information, included in this Red Herring Prospectus. For further information, see '**Financial Information**' on page 251. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section '**Forward-Looking Statements**' on page 18 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, including those described below and elsewhere in this Red Herring Prospectus. Also read '**Risk Factors**' and '**– Factors Affecting our Results of Operations and Financial Condition**' on pages 29 and 336, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Drone Industry Report" released on June 9, 2023 (the "**1Lattice Report**"), prepared by Praxian Global Private Limited and appointed by us on October 6, 2022, and exclusively commissioned by and paid for by us in connection with the Offer. The 1Lattice Report is available on the website of our Company at https://ideaforgetech.com/investor-relations/industry-report. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See also, '**Risk Factors – 39. Certain sections of this Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.**' on page 48. Also see, '**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**' on page 16.*

Unless the context otherwise requires, in this section, references to 'we', 'us', 'our' and similar terms are to our Company together with its Subsidiary.

OVERVIEW

We are the pioneer and the pre-eminent market leader in the Indian unmanned aircraft systems ("**UAS**") market, with a market share of approximately 50% in Fiscal 2022 (*Source: 1Lattice Report*). We had the largest operational deployment of indigenous UAVs across India, with an ideaForge manufactured drone taking off every five minutes on average for surveillance and mapping as of Fiscal 2023 (*Source: 1Lattice Report*). Our customers have completed over 350,000 flights using our UAVs as of March 31, 2023 (*Source: 1Lattice Report*). We ranked 7th globally in the dual-use category (civil and defence) drone manufacturers as per the report published by Drone Industry Insights in December 2022 (*Source: 1Lattice Report*). We have grown at a CAGR of 131.47% in terms of revenue from operations over the last three Fiscals, with a Return on Capital Employed of 12.51% in Fiscal 2023.

Our UAVs are equipped with industry leading specifications and capabilities, comparable to those of other established global players in the UAV industry (*Source: 1Lattice Report*). We believe that our growth over the years is attributable to our indigenous design and technological capabilities, our ability to invent, design and deliver customer centric offerings (i.e., hardware, software and solutions) and our vertically integrated operations. These capabilities allow us to design, develop, engineer and manufacture our UAVs in-house with a control on performance, reliability and autonomy. Our UAV platforms are architected with a 'mission first' approach i.e., to deliver UAVs which meet the requirements of our customers and which, we believe, can reliably sustain a large number of flights and are capable of being autonomously operated without special skills or training. In addition to being among the first few players in India to enter the UAV market, we also have the distinction of being the first company to indigenously develop and manufacture vertical take-off and landing ("**VTOL**") UAVs in India in 2009 (*Source: 1Lattice Report*). We are also the first company to participate in the demonstration of 5G enabled UAVs at the Indian Mobile Congress in 2018 (*Source: 1Lattice Report*). An early prototype of our VTOL UAV (quadrotor helicopter) was also featured in a popular Bollywood movie in 2009. We are one of the few original equipment manufacturers ("**OEMs**") globally to have its own proprietary autopilot sub-system and ground control software (*Source: 1Lattice Report*). As a result of our continuous product development and innovation efforts, we have filed 41 patent applications, which comprise of 20 applications filed internationally and 21 patent applications filed in India, as on June 17, 2023. A validation of our product competency and an example of global acceptance of our product was when our product SWITCH UAV, according to the 1Lattice Report, won the largest mini-VTOL UAV contract in March 2022, against global competitors from Russia, Israel, France, Ukraine and other countries.

We have one of the industry's leading product portfolios targeted at civil and defence applications (dual use) (*Source: 1Lattice Report*). We have a broad range of products with feature-based differentiation such as weight class (approximately 2-7 kg), endurance class (25-120 minutes flying time), take-off altitude range (up to 6,000 meters), communication range (approximately 2-15 km), payload types, etc. Beyond the UAVs, we undertake a full integration of our payloads, communication system and packaging. We also build our own software stack required for flight safety, autopilot sub-system, battery, power and communication in our UAVs. We believe, this integration of complex technologies while optimizing for performance, reliability and autonomy, not only creates entry barriers for new entrants but also helps us to differentiate ourselves from other players in the market. We cater to domestic and international customers across defence and civil sectors, primarily for applications in surveillance, mapping and surveying. Our UAVs have been used in extreme conditions, from very low temperatures at high altitudes such as in Ladakh to very high temperatures such as in the Thar desert, meaning that our UAVs have experienced some of the harshest environments in the world. Given the critical nature of the application of our products (such as for defence operations), we aim to maintain a high standard for the performance and quality of our products. Some of our UAVs have flown more than 4,500 flights as against the minimum requirement specified in RFPs for 500 flights under warranty (*Source: 1Lattice Report*).

Our product portfolio consists of (a) hardware, which primarily includes UAVs, payloads, batteries, chargers and communication system (which enables communication between the ground control station and the UAVs), (b) software and embedded sub-systems, which includes the GCS software, which enables the controlling and management for our UAVs and autopilot sub-system, which enables remote control and autonomous completion of flights, and (c) solutions, which enables industry/ application specific software that enhances the value of our UAVs to the end customer. Our wide range of products gives us the necessary flexibility to meet the evolving demands of diverse customers across industries.

We are in the process of developing UAVs as an on-demand service solution, which will mean our UAVs will be deployed to enable operations in a pre-scheduled or ad hoc/ on-demand manner at a short notice. We believe this will drive access to our UAVs for many applications such as DFR, progress monitoring, inspections, etc. In DFR, we intend for our drones to be able to reach the location of the reported incident to stream live video which will help in assessing the situation and take decisions, even before first responders on the ground are able to arrive on the scene of the incident.

We have one of the best support networks in India for UAVs (*Source: 1Lattice Report*). In addition to the warranty services that we provide with our UAVs, we also provide after sales maintenance services to our customers. Our support care plan, ideaForge Care plan, is one of the first-of-its-kind subscription based support package in the Indian UAV industry *(Source: 1Lattice Report)*. Our support care plan, ideaForge Care, provides customers with a wide range of support plans suited to their needs, which includes 24x7 support and replacement UAV options. While our UAVs are mission oriented and require minimal training, we provide our customers with the basic training required for operating the UAVs and for familiarizing them with our UAVs' functionality.

Our proprietary software architecture with open interfaces is key to delivering our solutions and forms a big part of our value proposition. Our proprietary autopilot sub-system protects our UAVs with several fail-safe features against communication failure, high wind velocity, low battery, battery imbalance and extreme temperature, among others. BlueFire Touch, our ground control software, is built to plan and command missions. Its mission planning capabilities include finding suitable areas for take-off, determining coverage area based on flight path and target location coverage check for off-site mission planning prior to deployment. BlueFire Touch enhances the flight safety with capabilities such as geo fencing, terrain hugging, terrain avoidance, etc. BlueFire Touch also gives complete control of flight operations and post flight data retrieval to the professional UAV pilot onsite. BlueFire Touch's split screen video/map view feature works by allowing the user to dynamically set a side-by-side view of the map of the flight operation and the actual live stream. In addition to allowing the user to set a side-by-side view based on their comfort, the centre camera view also dynamically centers the field of view of the video, to ensure that there is no image distortion due to the change in aspect ratio, and also keep the center of frame in check. BlueFire Live!, our innovative software-as-a-service ("**SaaS**") offering, with a subscription-based business model, enables encrypted live streaming of the UAV video feed and payload control.

BlueFire MapAssist is our software solution that makes geotagging for survey grade PPK mapping simple and intuitive. This not only enables safe and autonomous mapping operations with our GCS software, but also optimises the data captured and helps reduce the processing time. This makes our UAVs suitable for large area mapping operations and enabling the lower total cost of ownership ("**TCO**") which is an imperative for these projects.

We have an established track record of designing products that have led to repeat business. Our innovation process allows us to evolve product features based on the evolving needs of our customers delivering a superior customer experience with advanced technology. Our UAVs are capable of being autonomously operated without special skills or training. This combination of performance, reliability and autonomy leads to a lower TCO for our customers.

We primarily cater to customers with applications for surveillance, mapping and surveying. We participate in competitive bidding processes, wherein we compete for contracts based on, among other things, pricing, product trials, reputation for quality, financing capabilities and track record. Once the request for proposal document is published by the prospective clients, we prepare a proposal in accordance with the requirements of the project, outlining our proposed solution and proposed cost and timelines. Our bid is further evaluated basis a pre-determined evaluation criteria involving technical as well as financial aspects and the past performance of our Company, basis which the bidders are awarded the contract. Further, although we do not enter into long-term contracts with our customers, we have developed long-standing relationships with certain of them. For example, our first UAV was sold in 2010 to one of the state police departments and we have since received repeat orders from them. Our customers include Indian defence customers and civil customers comprising certain of the central armed police forces, state police departments, disaster management forces, forest departments, private contractors in connection with smart cities, Pioneer Foundation Engineers Private Limited, and C.E. Info Systems Limited.

As of May 31, 2023, we had about 100 channel partners and three national distributors.

We are one of the top vendors globally for dual use drones (*Source: 1Lattice Report*). Set forth below is our revenue break up from civil and defence sectors.

Sector	**Revenue (₹ in million)**	**%**	**Revenue (₹ in million)**	**%**	**Revenue (₹ in million)**	**%**
	Fiscal 2021		**Fiscal 2022**		**Fiscal 2023**	
Civil	298.89	86.09%	317.73	19.93%	399.67	21.49%
Defence	48.29	13.91%	1,276.66	80.07%	1,286.20	69.15%

Our manufacturing facility, situated in Navi Mumbai, Maharashtra, has an area of approximately 21,000 sq. ft., and is equipped with advanced equipment, modern technology with automation systems and has the ability to manufacture a wide range of products. This facility is in compliance with ISO 9001:2015 requirements and is also equipped with a testing centre that houses an environmental stress screening ("**ESS**") chamber and a vibration table. While we produce composite structures of our UAV airframes and small component machining is done in-house, we source commercial-off-the-shelf ("**COTS**") and customized components required for manufacturing of UAVs such as carbon tubes, propellers and cameras from the domestic as well as the international market. Our product development centre, situated in Navi Mumbai, Maharashtra, helps us design and develop our UAVs, and with continuous customer insights, we are able to improve the performance of our UAVs.

Our Company was founded in 2007 by our Promoters, Ankit Mehta, Rahul Singh and Ashish Bhat, along with Vipul Joshi, our Chief Financial Officer who later joined our Company. Our Promoters designed their first quadrotor UAV in 2004 while studying at the IIT Bombay. While our Promoters are first generation entrepreneurs, our Company has raised funding from various investors including Infosys Limited, Qualcomm Asia Pacific Pte. Ltd., Celesta Capital II Mauritius, Celesta Capital II-B Mauritius, Florintree Enterprise LLP, Export Import Bank of India and Infina Finance Private Limited over the years, who have also provided us with valuable management and organizational inputs. Our Company was incubated by the Society for Innovation and Entrepreneurship ("**SINE**"), IIT Bombay and subsequently by CIIE Initiatives, IIM Ahmedabad.

Our growth in revenue and profitability can be credited to our robust product portfolio and technology differentiation, which we achieve through continuous product development, and streamlining of our operational activities. We have been able to achieve revenue from operations of ₹ 1,594.39 million in Fiscal 2022 and ₹ 1,860.07 million in Fiscal 2023, which is an increase of over 1.17 times of revenue achieved in Fiscal 2022. Set forth below are certain key financial information from our business.

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (A)	1,860.07	1,594.39	347.18
EBITDA	574.88	751.31	(92.51)
EBITDA Margin	30.91%	47.12%	(26.65)%
Profit/ (loss) for the year (B)	319.88	440.06	(146.26)
Profit after Tax Margin (C= B/ A)	17.20%	27.60%	(42.13)%

Notes:

1. EBITDA is calculated as restated profit / (loss) for the year, plus finance costs, total taxes, and depreciation and amortisation expense.

2. EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.

3. Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by Revenue from Operations.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition are affected by several important factors including:

Domestic and global demand for our UAVs

The global drone industry is estimated to be US$ 21.1 billion in 2022 (*Source: 1Lattice Report*). While the industry has witnessed a significant growth at a CAGR of 19% over 2018-2022, it is expected to grow at an even faster rate at a CAGR of 20% to be approximately US$ 51.4 billion in 2027 and further leap to approximately US$ 91.3 billion by 2030 (*Source: 1Lattice Report*). Over the past decade, drones have significantly altered the way critical, life-threatening operations are conducted (*Source: 1Lattice Report*). Recently, drones were used in some major geopolitical events globally, for instance, in the ongoing Russia-Ukraine war, as well as the former Azerbaijan-Armenia conflict, drones were utilised for both surveillance as well as retaliatory action (*Source: 1Lattice Report*). Similarly, countries such as the U.K., Turkey, and Nigeria are following the U.S.'s lead and are using drones to strike opposition targets (*Source: 1Lattice Report*).

As of 2022, the potential market size for the Indian drone industry was approximately US$ 2.71 billion (*Source: 1Lattice Report*). In 2022, defence industry has the highest potential of US$ 1.28 billion out of the total drone market, followed by logistics at US$ 0.76 billion and enterprise at US$ 0.48 billion (*Source: 1Lattice Report*). The Indian drone market is projected to grow from US$ 43 million by Fiscal 2022 to US$ 812 million by Fiscal 2027, exhibiting a growth CAGR of 80% over Fiscals 2022-2027 (*Source: 1Lattice Report*).

As of May 31, 2023, we served a diverse base of 265 customers, catering to domestic and international customers across defence and civil sectors primarily for surveillance, mapping and surveying. We believe as a pioneer in the Indian unmanned aircraft systems in India, we are well placed to leverage on the growth opportunities available in India and globally. However, any slowdown in the Indian or the global drone markets due to any reasons including recession, pandemic or any other geo-political reasons may adversely impact our growth prospects and the results of operations. Our future growth also depends on penetrating new international markets as well as remaining a key supplier to strategic sectors, adapting existing products to new applications, and introducing new products that achieve market acceptance.

While our revenues are distributed between civil customers (including, domestic as well as global customers) and the Indian defence customers, there may be variations in the proportion in which the different sources contribute to our revenue basis factors such as market demand and policy changes in India and outside India. Any shifts in spending trends, changes in security levels, defence, and intelligence priorities, general economic conditions and developments, and other factors may affect our financial condition. Set forth below is our revenue break up from civil and defence sectors.

Sector	Revenue (₹ in million)	%	Revenue (₹ in million)	%	Revenue (₹ in million)	%
	Fiscal 2021		Fiscal 2022		Fiscal 2023	
Civil	298.89	86.09%	317.73	19.93%	399.67	21.49%
Defence	48.29	13.91%	1,276.66	80.07%	1,286.20	69.15%

We operate in a highly regulated industry, including regulations on exports

Drone regulations vary from country to country, with no universally applicable international drone legislation yet (*Source: 1Lattice Report*). The major countries in drone operations are Australia, China and the U.K (*Source: 1Lattice Report*). These countries possess advanced regulatory frameworks which have evolved over time (*Source: 1Lattice Report*). The regulatory bodies in India have taken a step towards a more liberalized approach after considering the potential of drones in boosting the economy (*Source: 1Lattice Report*). With the notification of Drone Rules 2021, the government has taken several measures such as reducing extensive paperwork involved, increasing the number of "free to fly" green zones, and simplifying granting of permission for every drone flight, among others (*Source: 1Lattice Report*). India has introduced laws and policies addressing both the demand side (through drone policy) and the supply side (through PLI and import bans) to provide impetus to the indigenous production of drones (*Source: 1Lattice Report*).

Further, we operate in an industry which is highly regulated and our operations, including manufacturing and sales, are subject to stringent laws and regulations. We are required to obtain certain certifications from the Directorate General of Civil Aviation ("**DGCA**") in order to sell our UAVs to civil users in India. DGCA had signed a memorandum of understanding to establish a mechanism for cooperation with the Quality Council of India to develop and operate a certification scheme for UAVs and this certification scheme was notified on January 26, 2022. In order to receive such certification, our UAVs are required to meet certain criteria of airworthiness for flying. Once our UAVs successfully pass the evaluation criteria, DGCA issues a certain certificate post which we are able to sell our UAVs to our civil customers. These certifications generally take around three months for approval. The process of approval is rigorous, time consuming and involves multiple iterations before one application is finally approved, which in turn can adversely impact our cash flows and results of operations. Though there have been no instances in the past where such type certifications were rejected for our UAVs, we cannot assure you that there would be no rejections in future. There are also possibilities where we might have to abandon certain airframes and system configurations of our UAVs due to their un-suitability for approval after investing significant money, time and labour on production of these products. For further information, see '***Risk Factors – 12. We operate in an industry which is highly regulated and is subject to change. If we fail to comply with the applicable regulations and rules prescribed by the Government of India and the relevant statutory or regulatory bodies, our business, financial condition, cash flows and results of operations will be adversely affected.***' on page 35.

Further, in order to manufacture our UAVs, we are required to obtain an industrial licence under the Industries (Development and Regulation) Act, 1951 ("**IDR Act**") and comply with the conditions stipulated therein. One of the conditions stipulated under the industrial license mandates that we intimate the Department for Promotion of Industry and Internal Trade ("**DPIIT**") and Department of Defence Production, Ministry of Defence, in case of any change in the management control, ownership pattern, Board of Directors and foreign holding/ foreign directors. Further, we are required to obtain clearance from the Ministry of Home Affairs in case there are any addition of foreign partners in our Company. While we intend to comply with all the conditions of the licenses, any non-compliance of the conditions would lead to the cancellation of our license thereby creating a significant adverse impact on our financial condition and results of operations. For further information, see '***Risk Factors – 13. We are a licensed manufacturer of Unnamed Ariel Vehicles under the Industries (Development and Regulation) Act, 1951 and any non-compliance of, or a failure to satisfy the terms and conditions under such license could lead to the cancellation of our license thereby creating a material adverse impact on our business, financial condition and results of operations.***' on page 36.

In order to sell our UAVs in foreign jurisdictions, we are required to obtain export authorisations from the Directorate General of Foreign Trade ("**DGFT**") as UAVs fall under the list of Special Chemicals, Organisms, Materials, Equipment, and Technologies ("**SCOMET**"). The export of SCOMET, including UAVs are permitted only if authorised by DGFT. While there have been no instances in the past where DGFT had rejected our applications seeking approvals for exports, we cannot assure you that in future we would always receive export authorisation to sell our UAVs in other foreign jurisdictions which may impact our business, financial condition, cash flows and results of operations. Further, any change in law, regulations and policies in foreign jurisdictions where we are currently selling our products or plan to sell our products may shift the onus to comply with foreign regulations from our resellers to our Company. For more information, see '***Risk Factors – 23. Our expansion into international market may not be successful.***' on page 41.

Raw Material costs

The primary raw materials required for manufacturing of our products are composites, plastics, and electronic components. We also require other raw materials, such as metal and machined parts for manufacturing our products. We procure our raw materials domestically as well as internationally from a wide and diverse network of suppliers, based on our requirements on an on-going basis. The availability and price of raw materials and commodity prices is subject to a number of factors beyond our control including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, fuel prices and availability, power tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. While procuring our raw materials, we factor in the current supply orders as well as the anticipated demand for our products, thereby working on forecasted demand as well. These forecasts are then shared with our supply chain management team so that they can quote the amount of required inventory, based on the information at hand. However, most of these forecasts are only accurate to a certain degree and hence we carry the risk that our anticipated demand may not be met, which may impact our contributions either way. The table below shows our cost of materials consumed as a percentage of our total revenue from operations and our total expenses, for Fiscals 2023, 2022 and 2021, respectively :

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cost of material consumed (₹ in million)	957.38	513.90	220.99
As % of our total revenue from operations	51.47%	32.23%	63.65%
As % of our total expenses	61.53%	46.18%	43.47%

Interruption of, or a shortage in the supply of, raw materials required to manufacture our products, may also result in our inability to operate our manufacturing facility at optimal capacities, leading to a decline in production and sales. Most of our procurement contracts with suppliers are at a fixed price with certain of our contracts having an exchange rate variation clause. On account of this, our ability to pass on increased raw material costs is limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability.

Technological obsolescence

The components that we use in manufacturing our products are subject to technological obsolescence. Technological obsolescence is subject to a variety of factors, mostly not being in our control, including rapid changes to various hardware and software involved in producing the components required in manufacturing our products. In the event of any significant technological or component obsolescence, we are thereby, required to incur additional costs, which may be at no additional cost to the customer, during the period of warranty, to update or replace the product, encompassing such obsolete component. Although we factor in component obsolescence in our initial project costs or estimates at the time of bidding, our ability to pass on increased costs of newer technologies or components has a direct impact on our profitability and results of operations. Our contracts usually require us to provide warranty without any additional costs for a fixed period of time, typically for a year. The table below shows the provision for warranty for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Provision for warranty (₹ in million)	26.17	24.11	2.78

Design and product development

We believe that our growth over the years is attributable to our core capabilities, including our indigenous design and technological capabilities, our ability to invent, design and deliver advanced customer centric offerings (i.e., hardware, software and solutions) and vertically integrated operations. We have an established track record of designing products that have high customer adoption. Our innovation process allows us to evolve product features based on the evolving needs of our customers delivering a superior customer experience with advanced technology at a lower Total Cost of Ownership ("**TCO**"). However, this process is both time-consuming and cash intensive. To develop new products and upgrade existing products, we commit substantial time, funds and other resources. The table below shows the expenses incurred on our product under development as a percentage of our total revenue from operations for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Expenses incurred on our product under development (₹ in million)	206.74	113.97	89.21
As % of our total revenue from operations	11.11	7.15	25.70

Our investments in development for future products may not always give the desired outcomes and could result in higher costs without a proportionate increase in revenues and we might also lose our entire investment if we are unable to innovate the products. Further, there is also a possibility that our competitors, particularly the foreign competitors, may invest more in design and product development and receive higher returns than us. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our employees could be significant and could adversely affect our profitability if commensurate revenue is not generated from the newly designed products.

Imposition of liquidated damages and invocation of performance bank guarantees/indemnity bonds by our customers

Our ability to meet specific customer demands depends on our ability to design, engineer a prototype, arrange supply of critical components and commence production of our products within short timeframes. Any failure to adhere to a contractually agreed schedule, for reasons other than the agreed force majeure events could result in payment of liquidated damages. Payment of liquidated damages on account of delay in supply of products or failure to submit the required performance bank guarantees or failure to install the equipment or provide training, as required under the contract, is a standard clause forming part of most of our contracts and the maximum amount payable for such liquidated damages varies from contract-to-contract basis. The table below shows the provision for liquidated damages for Fiscals 2023, 2022 and 2021, respectively, due to the penalties arising from delays caused in the completion of a delivery:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Provision for liquidated damages (₹ in million)	29.47	27.90	1.98

There have been instances in the past where we have failed to meet the timelines on account of delay in supply or materials or submitting the required guarantees and have paid liquidated damages for such delays. We cannot guarantee that in future we will not default any of the existing terms of our contracts resulting in the payment of liquidated damages. While there have been no instances in past where our contracts were terminated on account of delay in supply, there can be no guarantee that our customers would not terminate contracts on account of delay in supply along with payment of liquidated damages. The incurring of such liabilities pursuant to the imposition of liquidated damages as well as invocation of such performance bank guarantees and indemnity bonds in relation to our contracts could have an adverse effect on our business, operations, revenues and earnings. For more information, see '***Risk Factors – 10. Most of our customer agreements generally contains a liquidated damage clause for delay or non-delivery of the Unmanned Aerial Vehicle. Any contractual default on our part may result in claims and payment of liquidated damages, which could adversely affect our business, financial condition and cash flows.***' on page 34.

Restriction on imports and impact on international competition

The rapid increase in the production scale of Chinese drones led to a rise in unreliability and performance issues (*Source: 1Lattice Report*). The data confidentiality issues and low reliability of Chinese drones, coupled with the global anti-China sentiments, are paving an opportunity for the Indian drone industry to provide an alternative option in the market (*Source: 1Lattice Report*). Indian UAVs can compete in this market given the favorable ecosystem created by the government's industry-friendly policies, significant investments, and increasing demand for drones globally (*Source: 1Lattice Report*). Through meticulous public and private investments, the Indian drone sector is looking to position itself as a global competitor in exports for both civil and military drones (*Source: 1Lattice Report*).

The DGFT under the Ministry of Commerce and Industry, by way of notification in February, 2022, modified the Indian Trade Classification (Harmonised System) 2022 Schedule-1 (Import Policy) and banned the import of drones in completely-built-up ("**CBU**"), semi-knocked-down ("**SKD**") or completely-knocked-down ("**CKD**") form, with the following exceptions: (a) import of drones by government entities, educational institutions recognized by central or state government, government recognized R&D entities and drone manufacturers for R&D purpose are allowed in CBU, SKD or CKD form, subject to import authorisation issued by DGFT in consultation with concerned line ministries, and (b) import of drones for defence and security purposes are allowed in CBU, SKD or CKD form, subject to import authorisation issued by DGFT in consultation with concerned line industries. However, the import of drone components is not banned and does not require any approval. These regulations which aim to boost local businesses and innovators like us in India by incentivising manufacturing of drones and drone components in India in order to make the manufacturing sector self-sustaining and globally competitive, have benefited our Company in the past as these have resulted in an increase in demand for our products, owing to a ban on imports of drones. However, we cannot assure that the government will continue to implement such restrictions in the future and any variation in any such policy of the government may have an adverse impact on our business, results of operations, financial condition and cash flows. For more information, see '***Risk Factors – 14. Our business is benefitted by schemes launched by Government of India to boost the drone industry. Any variation in such schemes would have an adverse impact on our results of operations and financial condition and cash flows.'*** on page 36.

Cost and availability of skilled manpower

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes and accordingly, depend on our ability to recruit and retain employees who have advanced engineering and technical services skills and who work well with our customers. Our human resource policy focuses on recruiting talented and qualified personnel who would integrate well with our current workforce. We conduct regular training workshops and performance reviews. We endeavour to develop and train our employees in order to facilitate their growth as well as the growth of our operations. If we are unable to recruit and retain a sufficient number of these employees, then our ability to maintain our competitiveness and grow our business could be negatively affected. In addition, because of the highly technical nature of our products, the loss of any significant number of our existing engineering personnel could significantly delay or prevent the achievement of our business objectives, materially harm our business and customer relationships and impair our ability to identify and secure new contracts.

As of May 31, 2023, we had 288 permanent employees. In addition to our permanent employees, we have five personnel engaged as consultants and 232 employees on a contractual basis primarily as technicians for providing support to manufacturing team, as of May 31, 2023. We have also engaged 31 contractual labourers for carrying out various activities such as manpower support services, security and housekeeping as of May 31, 2023.

The table below shows the expenses towards salaries, wages and bonus for Fiscals 2023, 2022 and 2021, respectively:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Salaries, wages and bonus (₹ in million)	371.46	276.83	186.63

We believe that our Company's growth and work environment combined with our employee satisfaction rate has allowed us to attract talent on a large scale. In addition, the presence of varied profiles available in our organisation coupled with high growth potential facilitates higher retention of employees. If there are any labour shortages, it could increase our production cost and hinder our productivity and ability to meet customers' delivery schedules, any or all of which may have an adverse impact on our results of operations.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

The notes to the Restated Consolidated Financial Information included in this Red Herring Prospectus contain a summary of our significant accounting policies. Set forth below is a summary of our most significant accounting policies adopted in preparation of the Restated Consolidated Financial Information.

Statement of Compliance

The Restated Consolidated Financial Information which has been approved by the Board of Directors of our Company in the board meeting held on May 29, 2023, has been prepared in accordance with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**Companies Act, 2013**");
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**");
(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**"); and

(d) E-mail dated October 28, 2021 from Securities and Exchange Board of India to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide financial statements prepared in accordance with Indian Accounting Standards, as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ("**Ind AS**") for all the three years and stub period (hereinafter referred to as the "**the SEBI e-mail**").

The Restated Consolidated Financial Information of our Company and our Subsidiary (together, the "**Group**") have been prepared to comply in all material respects with the Ind AS, as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Companies Act, 2013.

The Restated Consolidated Financial Information has been compiled by our Company from:

1. Audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Companies Act, 2013 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 the board meeting held on May 29, 2023.

2. As at and for the years ended March 31, 2022 and March 31, 2021: From the audited special purpose Ind AS financial statements of our Company as at and for the years ended March 31, 2022 and March 31, 2021, which were prepared by our Company in response to the requirements of the SEBI e-mail and were approved by the Board of Directors at the board meeting held on February 3, 2023. The audited special purpose Ind AS financial statements as at and for the years ended March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transaition date of April 1, 2021 and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023.

3. As at and for the years ended March 31, 2022 and March 31, 2021: From the audited financial statements of our Company as at and for the years ended March 31, 2022 and March 31, 2021 prepared in accordance with accounting standards, as prescribed under Section 133 of the Act ("**Indian GAAP**") which were approved by the Board of Directors in the board meetings held on September 4, 2022 and September 8, 2021.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows. These Restated Consolidated Financial Information were approved for issue by our Company's Board of Directors on May 29, 2023.

Basis of preparation

The Restated Consolidated Financial Information have been prepared on a going concern basis.

Basis of Measurement

These financial statements have been prepared on a historical cost convention basis, except for (i) employee's defined benefit plan at fair value of plan assets less present value of defined benefit obligation determined as per actuarial valuation; and (ii) certain financial assets and liabilities that are measured at fair value.

Current versus non-current classification

Our Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is: (a) expected to be realised or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within 12 months after the reporting year; or (d) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current assets.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be settled within 12 months after the reporting year; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in the form of cash or cash equivalents. Our Company has identified that its operating cycle is 12 months.

Functional and presentation currency

The Restated Consolidated Financial Information are presented in INR which is our Company's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned.

Use of estimates, assumptions and judgements

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Restated Consolidated Financial Information and the reported amount of income and expenses for the year / period reported, wherein actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in Restated Consolidated Financial Information is included in the following notes:

(i) Impairment test of non-financial assets and financials assets;
(ii) Measurement of defined benefit obligations: key actuarial assumptions;
(iii) Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
(iv) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement

Certain accounting policies and disclosures of our Company require the measurement of fair values, for both financial and non financial assets and liabilities. We have an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, our Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Principles of Consolidation

Subsidiary

The Restated Consolidated Financial Information comprise the financial statements of our Company and our Subsidiary. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the restated consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements used for the purpose of consolidation are drawn up to same reporting date as that of our Company. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of our Company to enable us to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

<u>Consolidation procedure</u>

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of our Company with those of our Subsidiary. For this purpose, income and expenses of our Subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Information at the acquisition date.

(ii) Offset (eliminate) the carrying amount of our Company's investment in each subsidiary and our Company's portion of equity of each subsidiary.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the restated consolidated financial statements. Ind AS 12 income taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of (i) purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, (ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and (iii) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

Subsequent expenditure

Subsequent expenditure is capitalised only in case of a probability that the future economic benefits associated with the expenditure will flow to us.

Capital work in progress and Capital advances

Capital work in progress are the assets under construction, which include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation methods, estimated useful life and residual value

Depreciation is calculated using written down value method, pro-rata to the period of use, taking into account useful lives and residual value of the assets. The useful life of assets and the estimated residual value taken from those prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of leasehold improvements which are depreciated over primary lease period, which in management's opinion is reflective of economic useful lives of these assets. Useful life and residual values are reviewed by management at every balance sheet date and adjusted, if appropriate. The estimate useful life of our property, plant and equipment assets are as follows:

Tangible asset	Useful life
Plant and Machinery	15 years
Vehicle	8 years
Furniture and Fixtures	10 years
Office equipments	5 years
Electrical equipment	10 years
Computers	3 years
Leasehold Improvement	Lower of useful life of the leasehold improvement or the lease term

Depreciation is computed with reference to cost. Depreciation on additions during the year is provided on pro rata basis with reference to month of addition/installation.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated consolidated statement of profit and loss once such asset is derecognised.

Transition to Ind AS

On transition to Ind AS, our Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at April 1, 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. Our Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2021 while preparing the Restated Consolidated Financial Information for the years ended March 31, 2022 and March 31, 2021.

Intangible assets

Recognition and measurement

Intangible assets primarily comprise of patents, computer software and products under development. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and all other expenditures are recognised in the statement of profit and loss as incurred.

Amortisation

Intangible assets are amortised over their estimated useful life using straight line method. The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial period/year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if required.

Type of asset	Estimated Useful life
Product development	3 years
Software	3 years
Patent	20-25 years and 100 years, for few patents

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, we have elected to continue with the carrying value of all the items of Intangible assets recognized as at April 1, 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. We have followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2021 while preparing the Restated Financial Information for the years ended March 31, 2022 and March 31, 2021.

Intangible assets under development

Intangible assets under development include the cost of patent, trademark and product development costs that are not ready to use as on the date of the balance sheet. Further, product development costs includes employee benefits expenses including employee stock option expense incurred towards research and development team, raw materials consumed, testing charges, other expenses like lease, electricity and other administration and office expenses. Intangible assets under development are not depreciated as these assets are not yet available for use.

Impairment

Non-financial assets

Assessment for impairment is done at each balance sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit ("**CGU**"). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the restated statement of profit and loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the restated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

Financial Assets

Our Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Our Company recognises loss allowances using the expected credit loss ("**ECL**") model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ECL is the difference between all contractual cash flows that are due to our Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

Our Company considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Group in full, without recourse by our Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when we have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. We expect no significant recovery from the amount written off during the year.

Financial Instruments

Financial Assets

Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent Measurement

Financial Assets measured at amortised cost ("**AC**"): A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at fair value through other comprehensive income ("**FVTOCI**"): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at fair value through profit or loss ("**FVTPL**"): A financial asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if our Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

In case of investments in mutual fund and bonds: Measured at FVTPL.

Derecognition of financial assets

Our Company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial Liabilities

We classify our financial assets into the following measurement categories: (i) those to be measured subsequently at FVTPL and (ii) assets to be measured at AC.

Initial recognition and measurement

All financial liabilities are recognised initially at FVTPL or AC. 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. It also includes trade and other payables, lease liabilities, loans and borrowings including bank overdrafts and liability component of convertible instruments.

Subsequent Measurement

<u>Financial liabilities at fair value through profit or loss</u>

FVTPL include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by our Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit or loss. However, we may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

<u>Financial liabilities at amortised cost (Loans and borrowings)</u>

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("**EIR**") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. AC 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 amortisation is included as finance costs in the restated statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised 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 exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the restated statement of profit and loss.

Offsetting of financial instruments

Financials assets and financial liabilities are offset, and the net amount is reported in the statement of assets and Liabilities, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of our Company or the counterparty.

Derivative financial instruments

We use derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and carried as financial assets or financial liabilities, accordingly. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

Financial guarantee contracts issued by our Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Compound Financial Instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non- convertible instrument. This amount is classified as an financial liability measured at FVTPL (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is remeasured at each reporting date. Transaction costs are apportioned between the liability and equity components of the compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Compulsorily convertible preference shares

Compulsory Convertible Preference Shares ("**CCPS**") are those shares which are issued with the terms that it can be converted into certain number of equity shares after a period of time. CCPS offer fixed income to the investors and compulsorily convert into Equity Shares of the issuing company after a predetermined period. The terms of conversion are also pre-decided at the time of issue.

CCPS are particularly offered to fill the gap between the valuation expectations of the founder and the investors that are generally linked to the performance of our Company. These offer investors the opportunity to participate in the growth of companies while mitigating the risk of lower valuation of companies that underachieve the targets. Issuing CCPS further benefits our Company's promoters to raise funds without diluting the ownership at the initial period.

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Processing/Upfront fee are treated as prepaid expenses and same is amortised over the period of the facility to which it relates.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the restated statement of profit and loss. This category generally applies to interest-bearing loans and borrowings.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liability assumed, is recognised in statement of profit or loss as other gains or (losses).

Borrowings are classified as current liabilities unless our Company has an unconditional right to defer the settlement of liabilities for at least twelve months after the reporting year. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the same is classified as current unless the lender agreed, after the reporting year and before the approval of restated Ind AS financial information for issue, not to demand payment as a consequence of the breach.

Cash and Cash equivalent

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of our Company are segregated.

Inventories

Raw materials and stores, work in progress, and finished goods are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Net realisable 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. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Earnings Per Share

Basic earnings per share: Basic earnings per share is calculated by dividing the profit attributable to equity holders (adjusted for amounts directly charged to reserves) before/after exceptional Items (net of tax) by weighted average number of equity shares, (excluding treasury shares).

Diluted earnings per share: Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in restated consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in restated consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI: (a) equity investments at fair value through OCI (FVOCI); (b) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and (c) qualifying cash flow hedges to the extent that the hedges are effective.

Revenue Recognition

Revenue is recognised to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes goods or services contributed by the customer, as non-cash consideration, over which we have control. Where performance obligation is satisfied over time, we recognize revenue over the contract year. Where performance obligation is satisfied at a point in time, we recognize revenue when customer obtains control of promised goods and services in the contract.

Revenue is recognised net of any taxes collected from customers, which are remitted to governmental authorities. Our Company has two streams of revenue i.e., sale of goods & sale of services.

Sale of goods

Revenue from sale of goods is recognised when control or substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Revenue is measured at the amount of consideration which our Company expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and receivable is recognized when it becomes unconditional.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and claims, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The specific recognition criteria described below must also be met before revenue is recognized. We have two streams of revenue i.e., sale of products & sale of services. We recognise revenue at a point in time when the performance obligation is satisfied, i.e., when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.

Further, revenue from sale of goods is recognised based on a 5-Step methodology which is as follows:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligation in contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sale of service

We assess the services promised in a contract and identify distinct performance obligations in the contract to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations, involves significant judgment. Our sale of services includes maintenance services, training services and other services.

Warranties

We provide warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37-Provisions, Contingent Liabilities and Contingent assets.

Variable consideration (liquidated damages)

We estimate the amount of consideration to which we shall be entitled in exchange for transferring the promised goods or services to a customer, if the consideration promised in a contract includes a variable amount. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. We recognise liquidated damages as net of sale of products for respective period/year.

Contract balances

Trade Receivables: A receivable represents our right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before we transfer goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when we perform under the contract.

Contract Assets

A contract asset is a right to receive consideration in exchange for services already transferred to the customer (which consists of unbilled revenue). By transferring services to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is unconditional.

Other operating income

Duty drawback income is recognized in the statement of profit and loss under other operating revenue.

Recognition of dividend income, interest income or expense

The EIR is applied for calculating interest income and expense. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to (a) the gross carrying amount of the financial asset or (b) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in the restated statement of profit and loss on the date on which our right to receive payment is established.

Employee benefits

(i) During employment benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid we a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which a Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans

We pay gratuity to the employees who have completed five years of service with us at the time when any employee leaves. The gratuity liability amount is unfunded and formed exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the periods during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post employment are charged to Other Comprehensive Income.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulated compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Termination benefits

Termination benefits are payable when employment is terminated by us before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Equity settled share-based payments

Employees of our Company receive remuneration in the form of Share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions). In accordance with the Ind AS 102 Share based payment, the cost of equity- settled transactions is measured using the fair value method. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and our best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the restated statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year is recognised in employee benefits expense.

Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognised in restated statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in the other comprehensive income or in equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted. Current tax assets and liabilities are offset only if, we (i) have a legally enforceable right to set off the recognised amounts; and (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable income tax laws. Current tax assets and current tax liabilities are off set and presented as net.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Ind AS financial information and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have enacted or substantively enacted by the end of the reporting year. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting year. Deferred tax is recognised to the extent that it is probable that future taxable profit will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which our Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if, (i) we have a legally enforceable right to set off current tax assets against current tax liabilities; and (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same Company.

Minimum alternate tax ("**MAT**") paid in a year is charged to the restated statement of profit and loss as current tax. Our Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that our Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which our Company recognizes MAT credit as an asset in accordance with the GN on accounting for credit available in respect of minimum alternate tax under the Income Tax Act, 1961, the said asset is created by way of credit to the restated statement of profit and loss and shown as "MAT Credit Entitlement." Our Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent our Company does not have convincing evidence that it will pay normal tax during the specified period.

Borrowing costs

Borrowing cost include finance charges in respect of leases, exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and interest expense calculated based on the EIR method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the restated statement of profit and loss in the period in which they are incurred.

Leases

Effective April 1, 2021 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), we applied Ind AS 116. For the purpose of preparation of Restated Consolidated Financial Information, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended March 31, 2023. Hence in these Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from April 1, 2021 recognising right-of-use assets and lease liabilities from the date of commencement of each leases.

In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses (Revised 2019), the Restated Consolidated Financial Information for the years ended March 31, 2021 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. April 1, 2021) following accounting policies consistent with that used at the date of transition to Ind AS.

We assess whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether: (i) the contract involves the use of an identified asset, (ii) our Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) we have the right to direct the use of the asset.

We have also applied the available practical expedients wherein it (i) used a single discount rate to a portfolio of leases with reasonably similar characteristics, (b) relied on its assessment of whether leases are onerous immediately before the date of initial application, (c) excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application and (d) used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Right-of-use assets

We recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liability

At the commencement date of the lease, we recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by our Company and payments of penalties for terminating the lease, if the lease term reflects our Company's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use our incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

We have applied the short-term lease recognition exemption to our short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

Provisions and contingent liabilities & assets

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the restated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Operating segments

We are engaged in the business of manufacturing and marketing of UAV systems which are used for security and surveillance. Our ancillary business of providing training and maintenance service evolves around the main business of manufacture and marketing of UAV systems. We prepare our segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements as a whole and the chief operating decision maker ("**CODM**") evaluates our performance and allocates the resources based on an analysis of overall country level performance indicators.

NON-GAAP FINANCIAL MEASURES

This Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Capital Employed, Adjusted Return on Capital Employed, Net Worth, Return on Net Worth, Net Asset Value per Equity Share and certain other statistical information relating to our operations and financial performance (together, "**Non-GAAP Measures**") that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For the risks relating to our Non-GAAP Measures, see '***Risk Factors – 51. Certain Non-GAAP measures presented in this Red Herring Prospectus may have limitations as analytical tools, may vary from any standard methodology applicable across the drone industry, and may not be comparable with financial or statistical information of similar nomenclature presented by other peer companies.***' on page 53.

Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Restated profit/ (loss) for the year (A)	319.88	440.06	(146.26)
Add: Finance costs (B)	48.35	176.70	16.72
Add: Total tax expense/ (credit) (C)	88.07	61.71	1.22
Add: Depreciation and amortisation expense (D)	118.58	72.84	35.81
Earnings before interest, tax, depreciation and amortisation (EBITDA) (E = A + B + C + D)	**574.88**	**751.31**	**(92.51)**

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (F)	1,860.07	1,594.39	347.18
EBITDA Margin (G = E/F)	**30.91%**	**47.12%**	**(26.65)%**
Add: Share based payments to employees (H)	276.99	62.78	58.88
Adjusted EBITDA (I = E + H)	851.87	814.09	(33.63)
Adjusted EBITDA Margin (J = I/F)	**45.80%**	**51.06%**	**(9.69)%**

Notes:

1. *EBITDA is calculated as restated profit/ (loss) for the year, plus finance costs, total taxes and depreciation and amortisation expense.*
2. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.*
3. *Adjusted EBITDA is calculated as EBITDA plus share based payments to employees.*
4. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Revenue from Operations.*

Return on Capital Employed and Adjusted Return on Capital Employed

Return on Capital Employed

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Restated profit/ (loss) for the year (A)	319.88	440.06	(146.26)
Add: Total tax expense/ (credit) (B)	88.07	61.71	1.22
Add: Finance costs (C)	48.35	176.70	16.72
Earnings before interest and tax (EBIT) (D= A+B+C)	**456.30**	**678.47**	**(128.32)**
Total equity (E)	3,247.21	1,633.03	597.48
Total borrowings (F)	865.04	56.76	505.74
Less: Intangible assets (G)	464.72	322.73	258.04
Capital Employed (H= E+F-G)	3,647.53	1,367.06	845.18
Return on Capital Employed% (D/H)	**12.51%**	**49.63%**	**(15.18)%**

Notes: Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed. Earnings before interest and tax is calculated as restated profit/ (loss) for the year plus total tax expense / (credit) plus finance costs. Capital Employed is calculated as total equity plus total borrowings minus intangible assets.

Adjusted Return on Capital Employed

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Restated profit/ (loss) for the year (A)	319.88	440.06	(146.26)
Add: Total tax expense/ (credit) (B)	88.07	61.71	1.22
Add: Finance costs (C)	48.35	176.70	16.72
Add: Share based payments to employees (D)	276.99	62.78	58.88
Adjusted earnings before interest and tax (Adjusted EBIT) (E= A+B+C+D)	**733.29**	**741.25**	**(69.44)**
Total equity (F)	3,247.21	1,633.03	597.48
Total Borrowings (G)	865.04	56.76	505.74
Less: Intangible assets (H)	464.72	322.73	258.04
Capital Employed (I= F+G-H)	3,647.53	1,367.06	845.18
Less: Current borrowings (J)	865.04	56.76	127.93
Less: Cash and cash equivalents (K)	45.04	304.16	52.59
Less: Bank balance other than cash and cash equivalents (L)	19.93	46.62	88.72
Adjusted Capital Employed (M= I-J-K-L)	**2,717.52**	**959.52**	**575.94**
Adjusted Return on Capital Employed (N= E/M)	**26.98%**	**77.25%**	**(12.06)%**

Notes: Adjusted Return on Capital Employed is calculated as Adjusted earnings before interest and tax divided by Adjusted Capital Employed. Adjusted earnings before interest and tax is calculated as restated profit/ (loss) for the year plus total tax expense / (credit) plus finance costs plus share based payments to employees. Adjusted Capital Employed is calculated as total equity plus total borrowings minus intangible assets minus current borrowings minus cash and cash equivalents minus bank balance other than cash and cash equivalents.

Reconciliation to Net Worth, Return on Net Worth and Net Asset Value per Equity Share

Net Worth

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity Share capital (A)	213.37	0.89	0.89
Instruments entirely equity in nature (B)	0.67	0.38	0.38
Other Equity (C)	3,033.17	1,631.76	596.21
Net Worth (D = A+ B+ C)	**3,247.21**	**1,633.03**	**597.48**

Return on Net Worth

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Restated profit/ (loss) for the year (A)	319.88	440.06	(146.26)
Equity Share capital (B)	213.37	0.89	0.89
Instruments entirely equity in nature (C)	0.67	0.38	0.38
Other Equity (D)	3,033.17	1,631.76	596.21
Net Worth (E = B + C +D)	3,247.21	1,633.03	597.48
Return on Net Worth (F = A/ E)	**9.85%**	**26.95%**	**(24.48)%**

Note: Return on Net Worth is calculated as restated profit/ (loss) after tax attributable to equity shareholders of our Company divided by restated Net Worth for Equity Shareholders of our Company.

Net Asset Value per Equity Share

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net Worth (A)	3,247.21	1,633.03	597.48
Weighted average number of equity shares used in calculating basic earnings per share (B)	37,404,495	31,798,124	29,050,847
Net Asset Value per Equity Share (C = A/ B)	**86.81**	**51.36**	**20.57**

Note: Net Asset Value per Equity Share is calculated as Net Worth attributable to equity shareholders as at the end of Fiscal year divided by the weighted average number of Equity Shares used in calculating basic earning per share.

Compounded Annual Growth Rate

(₹ in million, except as otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	1,860.07	1,594.39	347.18
Year	1	2	3
CAGR %			**131.47%**

Note: Compounded annual growth rate is calculated as (end year value/ base year value) ^ (1/ No. of years between base year and end year) – 1, wherein ^ denotes 'raised to'.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income is divided into revenue from operations and other income. The following table shows our revenue from operations and other income.

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
A. Revenue from operations	**1,860.07**	**1,594.39**	**347.18**
Revenue from contracts with customers	**1,685.76**	**1,594.28**	**347.18**
- Sale of products	1,636.01	1,539.30	310.14
Percentage of revenue from operations (% of A)	*87.95%*	*96.54%*	*89.33%*
- Sale of service	49.75	54.98	37.04
Percentage of revenue from operations (% of A)	*2.67%*	*3.45%*	*10.67%*
Other operating revenue	**174.31**	**0.11**	**-**
B. Other income	**103.95**	**20.09**	**16.17**
Total income (A+B)	**1,964.02**	**1,614.48**	**363.35**

Revenue from Operations

Our revenue from operations is primarily generated from (i) sale of products and (ii) sale of services.

Revenue from sale of products

Our revenue from sale of products primarily consists of sale of UAVs and spare items to our customers. All our products are currently manufactured in-house at our manufacturing facility in Navi Mumbai, Maharashtra. Our revenue from sale of products accounted for 87.95%, 96.54% and 89.33% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Revenue from sale of services

Our services primarily consist of maintenance services, training services and other ancillary services, which our Company provides to its customers, either annually or on spot basis, or both. Our revenue from sale of services accounted for 2.67%, 3.45% and 10.67% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Other Income

Other income includes (i) interest income under effective interest rate method on fixed deposits, financial assets at amortised cost, (security deposit) and bonds, (ii) fair valuation gain from investment designated at fair value through profit or loss and current investments, (iii) profit on sale of investment, (iv) net gain on property, plant and equipment, (v) foreign exchange fluctuation gain (net), (vi) income from awards and honours, (vii) rent concession, (viii) reversal of expected credit loss on trade receivables and (ix) miscellaneous income. Our other income accounted for 5.59%, 1.26% and 4.66% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Expenses

Our expenses comprise of (i) cost of materials consumed, (ii) changes in inventories of finished goods and work-in-progress, (iii) employee benefits expense, (iv) finance costs, (v) depreciation and amortisation expense and (vi) other expenses.

The following table sets forth our expenditure as a percentage of our revenue from operations for the periods indicated.

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cost of materials consumed	957.38	513.90	220.99
Percentage of revenue from operations	*51.47%*	*32.23%*	*63.65%*
Changes in inventories of finished goods and work-in-progress	(368.80)	(101.69)	(37.96)
Percentage of revenue from operations	*(19.83)%*	*(6.38)%*	*(10.93)%*
Employee benefits expense	509.13	268.53	192.49
Percentage of revenue from operations	*27.37%*	*16.84%*	*55.44%*
Finance costs	48.35	176.70	16.72
Percentage of revenue from operations	*2.60%*	*11.08%*	*4.81%*
Depreciation and amortization expense	118.58	72.84	35.81
Percentage of revenue from operations	*6.38%*	*4.57%*	*10.31%*
Other expenses	291.43	182.43	80.34
Percentage of revenue from operations	*15.67%*	*11.44%*	*23.14%*
Total expenses	**1,556.07**	**1,112.71**	**508.39**

Cost of materials consumed

Cost of materials consumed comprises of raw material costs incurred in the manufacturing of our products, such as UAVs and our spare parts. The primary raw materials required for manufacturing of our products are composites, plastics, and electronic components, which we procure domestically as well as internationally. We also require other raw materials, such as metal and machined parts, most of which are sourced from domestic suppliers based on our requirements on an on-going basis. We procure all of our raw materials either by entering into short-term contracts or by way of purchase orders on an ongoing basis and therefore, are required to pay the market price of such products. Cost of materials consumed accounted for 51.47%, 32.23% and 63.65% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period of work in progress and finished goods. Changes in inventories of finished goods and work-in-progress accounted for (19.83)%, (6.38)% and (10.93)% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Employee benefits expense

Employee benefits expense includes (i) salaries, wages and bonus, (ii) contribution to provident and other funds, (iii) ESOPs granted to employees, pursuant to ESOP 2018 adopted by our Company (iv) staff welfare expenses, (v) compensated absences and (vi) defined benefit plan expenses. Employee benefits expense accounted for 27.37%, 16.84% and 55.44% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Finance costs

Finance costs includes (i) interest on borrowings from banks, (ii) processing fees expense, (iii) interest on lease liabilities, (iv) interest expense (discount) on fair value of CCDs and (v) other borrowing costs. Finance costs accounted for 2.60%, 11.08% and 4.81% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Depreciation and amortisation expense

Depreciation represents depreciation on property, plant and equipment and depreciation on right of use of assets. Amortisation represents amortisation of intangible assets. Depreciation is calculated on a pro-rata basis on written down value method using net of their residual values, over their estimated useful lives. The useful life of assets and the estimated residual value are taken from those prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of leasehold improvements which are depreciated over primary lease period, which in our management's opinion is reflective of economic useful lives of these assets.

Depreciation and amortisation expense accounted for 6.38%, 4.57% and 10.31% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Other expenses

Other expenses include lease expense, electricity charges, administration and office expenses, bank charges and commission, marketing and advertising expenses, software expenses, rates and taxes, manpower recruitment cost, legal and professional expenses, travelling and conveyance expenses, warranty expenses, insurance, shipment charges, transport charges, job work charges, testing charges, miscellaneous expenses, payment to auditors, foreign exchange fluctuation loss, sundry balance written off, donations, stores and consumables, expected credit loss on trade receivables and fair value loss on investment in mutual funds measured at fair value through profit or loss. Other expenses accounted for 15.67%, 11.44% and 23.14% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

RESULTS OF OPERATIONS

Fiscal 2023 compared with Fiscal 2022

Total income

Our total income increased by ₹ 349.54 million or by 21.65% from ₹ 1,614.48 million in the Fiscal 2022 to ₹ 1,964.02 million in the Fiscal 2023. This was primarily due to (i) increase in our revenue from operations and (ii) production linked incentives received from the Government of India.

Revenue from operations

Our revenue from operations increased by ₹ 265.68 million or by 16.66% from ₹ 1,594.39 million in the Fiscal 2022 to ₹ 1,860.07 million in the Fiscal 2023. This increase was primarily driven by ₹ 96.71 million increase in revenue from sale of products.

Revenue from sale of products

Our revenue from sale of products increased by ₹ 96.71 million or by 6.28% from ₹ 1,539.30 million in the Fiscal 2022 to ₹ 1,636.01 million in the Fiscal 2023. This increase was primarily driven by increase in sales of our UAVs, pursuant to a new contract awarded to our Company on August 31, 2021 for supply of large quantities of SWITCH UAVs manufactured by us, and for which invoices aggregating to ₹ 1,242.00 million were raised in the Fiscal 2023.

Revenue from sale of services

Our revenue from sale of services decreased by ₹ 5.23 million or by 9.51% from ₹ 54.98 million in the Fiscal 2022 to ₹ 49.75 million in the Fiscal 2023. This decrease was due to a decline in renewal of annual maintenance contracts with customers.

Other operating revenue

Our operating revenue increased by ₹ 174.20 million from ₹ 0.11 million in the Fiscal 2022 to ₹ 174.31 million in the Fiscal 2023. This increase was due to receiving incentive of ₹ 174.20 million from the Ministry of Civil Aviation, under the Production Linked Incentive Scheme for Drones and Drone Components introduced by the Government of India.

Other income

Our other income increased by ₹ 83.86 million or by 417.42% from ₹ 20.09 million in the Fiscal 2022 to ₹ 103.95 million in the Fiscal 2023. This increase was primarily driven by returns from (i) interest on fixed deposits, (ii) interest on investments in mutual funds and bonds, and (iii) gain from sale of investments made in mutual funds and bonds.

Expenditure

Total expenses increased significantly by ₹ 443.36 million or by 39.85% from ₹ 1,112.71 million in the Fiscal 2022 to ₹ 1,556.07 million in the Fiscal 2023. This was primarily driven by increase in cost of materials consumed and employee benefits expense.

Cost of materials consumed

Cost of material consumed increased by ₹ 443.48 million or by 86.30% from ₹ 513.90 million in the Fiscal 2022 to ₹ 957.38 million in the Fiscal 2023 on account of increase in production of our UAVs in the corresponding period. As a result, our cost of materials consumed as a percentage of our revenue from operations, accounted for 51.47% in the Fiscal 2023 compared to 32.23% in the Fiscal 2022.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress increased by ₹ 267.11 million or by 262.67% from ₹ 101.69 million in the Fiscal 2022 to ₹ 368.80 million in the Fiscal 2023. This was primarily attributable to higher sales of our UAVs in the Fiscal 2023.

Employee benefits expense

Employee benefits expense increased by ₹ 240.60 million or by 89.60% from ₹ 268.53 million in the Fiscal 2022 to ₹ 509.13 million in the Fiscal 2023. This was primarily due to (a) increment in salaries of employees, (ii) new appointments made by our Company and (iii) increase in ESOPs granted to employees, pursuant to ESOP 2018 adopted by our Company, resulting into a significant increase in our operations. As a percentage of our revenue from operations, our employee benefits expense accounted for 27.37% in the Fiscal 2023 compared to 16.84% in the Fiscal 2022.

Finance costs

Finance costs decreased by ₹ 128.35 million or by 72.64% from ₹ 176.70 million in the Fiscal 2022 to ₹ 48.35 million in the Fiscal 2023. This decrease in finance cost is primarily attributable to interest expenses incurred on fair value of financial liabilities, due to impact of adjustment from Indian GAAP to IND AS. As a percentage of our revenue from operations, our finance costs accounted for 2.60% in the Fiscal 2023 compared to 11.08% in the Fiscal 2022.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by ₹ 45.74 million or by 62.80% from ₹ 72.84 million in the Fiscal 2022 to ₹ 118.58 million in the Fiscal 2023. The increase in depreciation was primarily due to purchase of new plant and machinery, software and computers, vehicles, lease hold improvement, office equipment, furniture and fixture and increase in product development costs. As a percentage of our revenue from operations, our depreciation and amortisation expense accounted for 6.38% in the Fiscal 2023 compared to 4.57% in the Fiscal 2022.

Other expenses

Other expenses increased significantly by ₹ 109.00 million or by 59.75% from ₹ 182.43 million in the Fiscal 2022 to ₹ 291.43 million in the Fiscal 2023. This was primarily attributable to an increase of (i) ₹ 2.55 million in electricity charges, (ii) ₹ 10.64 million in administrative and office expense, (iii) ₹ 13.50 million in marketing expense, (iv) ₹ 27.57 million in travelling expense, (v) ₹ 21.68 million in legal and professional expense, and (vi) ₹ 8.93 million in rates and taxes. As a percentage of our revenue from operations, our other expenses accounted for 15.67% in the Fiscal 2023 compared to 11.44% in the Fiscal 2022.

Restated profit before tax

In light of above discussions, our restated profit before tax decreased by ₹ 93.82 million or by 18.70% from ₹ 501.77 million in the Fiscal 2022 to ₹ 407.95 million in the Fiscal 2023.

Tax expense

Our total tax expense, however, increased by ₹ 26.36 million or 42.72% from ₹ 61.71 million in the Fiscal 2022 to ₹ 88.07 million in the Fiscal 2023.

Restated profit for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a decrease in our restated profit for the year by ₹ 120.18 million or 27.31% from ₹ 440.06 million in the Fiscal 2022 to ₹ 319.88 million in the Fiscal 2023.

Fiscal 2022 compared with Fiscal 2021

Total income

Our total income increased significantly by ₹ 1,251.13 million or by 344.33% from ₹ 363.35 million in the Fiscal 2021 to ₹ 1,614.48 million in the Fiscal 2022. This was primarily due to increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by ₹ 1,247.21 million or by 359.24% from ₹ 347.18 million in the Fiscal 2021 to ₹ 1,594.39 million in the Fiscal 2022. This increase was primarily driven by ₹ 1,229.16 million increase in revenue from sale of products.

Revenue from sale of products

Our revenue from sale of products increased significantly by ₹ 1,229.16 million or by 396.32% from ₹ 310.14 million in the Fiscal 2021 to ₹ 1,539.30 million in the Fiscal 2022. This increase was primarily driven by (i) increase in sales of our UAVs, pursuant to a new contract in January, 2021 for supply of large quantities of SWITCH UAVs manufactured by us, which were delivered by our Company in December, 2021 and invoices aggregating to ₹ 1,265.00 million were raised by our Company, to that effect in the corresponding period and (ii) a marginal increase in sale of spare items manufactured by us.

Revenue from sale of services

Our revenue from sale of services increased by ₹ 17.94 million or by 48.43% from ₹ 37.04 million in the Fiscal 2021 to ₹ 54.98 million in the Fiscal 2022. This increase was primarily due to introduction of providing after sales training services to our customers.

Other operating revenue

We generated an operating revenue of ₹ 0.11 million in Fiscal 2022. We did not have any operating revenue in Fiscal 2021.

Other income

Our other income increased by ₹ 3.92 million or by 24.24% from ₹ 16.17 million in the Fiscal 2021 to ₹ 20.09 million in the Fiscal 2022. This increase was primarily driven by returns from interest on fixed deposits and gain from investments made in mutual funds.

Expenditure

Total expenses increased significantly by ₹ 604.32 million or by 118.87% from ₹ 508.39 million in the Fiscal 2021 to ₹ 1,112.71 million in the Fiscal 2022. This was primarily driven by ₹ 159.98 million or by 956.82% increase in finance costs.

Cost of materials consumed

Cost of material consumed increased by ₹ 292.91 million or by 132.54% from ₹ 220.99 million in the Fiscal 2021 to ₹ 513.90 million in the Fiscal 2022 on account of increase in production of our UAVs in the corresponding period. As a result, our cost of materials consumed as a percentage of our revenue from operations, accounted for 32.23% in the Fiscal 2022 compared to 63.65% in the Fiscal 2021.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress increased by ₹ 63.73 million or by 167.89% from ₹ 37.96 million in the Fiscal 2021 to ₹ 101.69 million in the Fiscal 2022. This was primarily attributable to higher sales of our UAVs in the corresponding period.

Employee benefits expense

Employee benefits expense increased by ₹ 76.04 million or by 39.50% from ₹ 192.49 million in the Fiscal 2021 to ₹ 268.53 million in the Fiscal 2022. This was primarily due to (a) increment in salaries of employees, (ii) new appointments made by our Company and (iii) increase in ESOPs granted to employees, pursuant to ESOP 2018 adopted by our Company, resulting from a significant increase in our operations. As a percentage of our revenue from operations, our employee benefits expense accounted for 16.84% in the Fiscal 2022 compared to 55.44% in the Fiscal 2021.

Finance costs

Finance costs increased by ₹ 159.98 million or by 956.82% from ₹ 16.72 million in the Fiscal 2021 to ₹ 176.70 million in the Fiscal 2022. This increase in finance cost is primarily attributable to increase in interest paid on loans taken from banks and interest expenses incurred on account of fair value of CCDs, due to impact of adjustment from Indian GAAP to IND AS. As a percentage of our revenue from operations, our finance costs accounted for 11.08% in the Fiscal 2022 compared to 4.82% in the Fiscal 2021.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by ₹ 37.03 million or by 103.41% from ₹ 35.81 million in the Fiscal 2021 to ₹ 72.84 million in the Fiscal 2022. The increase in depreciation was primarily due to purchase of new plant and machinery, software and computers, vehicles, lease hold improvement and increase in product development costs. As a percentage of our revenue from operations, our depreciation and amortisation expense accounted for 4.57% in the Fiscal 2022 compared to 10.31% in the Fiscal 2021.

Other expenses

Other expenses increased significantly by ₹ 102.09 million or by 127.07% from ₹ 80.34 million in the Fiscal 2021 to ₹ 182.43 million in the Fiscal 2022. This was primarily attributable to an increase of (i) ₹ 11.72 million in bank charges and commission, (ii) ₹ 7.12 million in rates and taxes, related to interests on advance tax, (iii) ₹ 31.01 million in manpower recruitment cost and (iv) ₹ 21.63 million in warranty expenses, on account of expenses incurred during the warranty period of our products. As a percentage of our revenue from operations, our other expenses accounted for 11.44% in the Fiscal 2022 compared to 23.14% in the Fiscal 2021.

Restated profit before tax

In light of above discussions, our restated profit before tax increased significantly by ₹ 646.81 million from ₹ (145.04) million in the Fiscal 2021 to ₹ 501.77 million in the Fiscal 2022.

Tax expense

Our total tax expense also accordingly increased by ₹ 60.49 million from ₹ 1.22 million in the Fiscal 2021 to ₹ 61.71 million in the Fiscal 2022.

Restated profit for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a significant increase in our restated profit for the year by ₹ 586.32 million from ₹ (146.26) million in the Fiscal 2021 to ₹ 440.06 million in the Fiscal 2022.

CASH FLOWS

The following table sets forth certain information relating to our cash flows for Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash generated from/ (used in) operating activities	(532.30)	665.20	(308.13)
Net cash (used in)/ generated from investing activities	(1,489.08)	(307.62)	(68.03)
Net cash generated from/ (used in) financing activities	1,762.26	(106.01)	427.85
Net (decrease)/ increase in cash and cash equivalents	**(259.12)**	**251.57**	**51.69**
Cash and cash equivalents – Opening balance	**304.16**	**52.59**	**0.90**
Cash and cash equivalents – Closing balance	**45.04**	**304.16**	**52.59**

Net cash generated from/ used in operating activities

Fiscal 2023

Net cash used in operating activities in Fiscal 2023 was ₹ 532.30 million and our operating profit before working capital changes was ₹ 779.82 million. The difference was primarily attributable to ₹ 557.68 million increase in inventories, ₹ 379.33 million increase in trade receivables, ₹ 185.47 million increase in other financials assets and ₹ 270.69 million increase in other non-current/ current assets. This was partially offset by ₹ 67.88 million increase in trade payables, ₹ 8.83 million increase in provisions and ₹ 72.42 million increase in other current/ non-current liabilities and ₹ 3.74 million decrease in other financial liabilities. We paid income tax of ₹ 64.09 million.

Fiscal 2022

Net cash generated from operating activities in Fiscal 2022 was ₹ 665.20 million and our operating profit before working capital changes was ₹ 801.28 million. The difference was primarily attributable to ₹ 254.94 million increase in inventories, ₹ 9.24 million increase in other financials assets and ₹ 116.10 million increase in other non-current/ current assets. This was partially offset by ₹ 28.87 million decrease in trade receivables, ₹ 25.92 million increase in trade payables, ₹ 202.11 million increase in other current / non-current liabilities, ₹ 5.24 million increase in other financial liabilities and ₹ 53.64 million increase in provisions. The increase in other current / non-current liabilities was towards advances from customers and the increase in provisions was as a result of increase in provision for gratuity, increase in provision for compensated absence, increase in provision for liquidated damages and increase in provision for warranty. We paid income tax of ₹ 71.42 million.

Fiscal 2021

Net cash used in operating activities in Fiscal 2021 was ₹ 308.13 million and our operating loss before working capital changes was ₹ 48.74 million. The difference was primarily attributable to ₹ 125.65 million increase in inventories, ₹ 134.32 million increase in trade receivables, ₹ 0.01 million decrease in other financial assets and ₹ 79.26 million increase in other non-current/ current assets. This was partially offset by ₹ 38.93 million increase in trade payables, ₹ 1.44 million increase in other current/ non-current liabilities, ₹ 31.49 million increase in other financial liabilities and ₹ 7.53 million increase in provisions. We received a refund of income tax of ₹ 0.46 million.

Net cash used in investing activities

Fiscal 2023

Net cash used in investing activities in Fiscal 2023 was ₹ 1,489.08 million. This reflected (i) payment of ₹ 330.96 million towards purchase of property, plant and equipment, (ii) payment of ₹ 1,092.81 million towards investment in mutual funds (net), (iii) payment of ₹ 10.00 million towards investment in equity and (iv) payment of ₹ 85.67 million towards investment in fixed deposits (net). The purchase of property, plant and equipment comprises of software and computers, vehicles and product development costs. This was partially offset by ₹ 30.36 million as interest received on fixed deposits.

Fiscal 2022

Net cash used in investing activities in Fiscal 2022 was ₹ 307.62 million. This reflected (i) payment of ₹ 134.76 million towards purchase of property, plant and equipment, (ii) payment of ₹ 103.46 million towards investment in mutual funds (net) and (iii) payment of ₹ 92.87 million towards investment in fixed deposits (net). The purchase of property, plant and equipment comprises of software and computers, vehicles and product development costs. This was partially offset by (i) ₹ 23.25 million as interest received on fixed deposits and (ii) ₹ 0.23 million proceeds from sale of property, plant and equipment.

Fiscal 2021

Net cash used in investing activities in Fiscal 2021 was ₹ 68.03 million. This reflected (i) payment of ₹ 89.79 million towards purchase of property, plant and equipment and (ii) payment of ₹ 112.98 million towards investment in fixed deposits (net). The purchase of property, plant and equipment comprises of product development costs. This was partially offset by (i) ₹ 14.35 million as interest received on fixed deposits, (ii) ₹ 1.38 million from dividends received from investments in mutual funds and (iii) ₹ 119.01 million from sale of mutual funds (net).

Net cash generated from/ used in financing activities

Fiscal 2023

Net cash generated from financing activities in Fiscal 2023 was ₹ 1,762.26 million. This relates to (i) ₹ 1,025.29 million received as proceeds from issue of preference shares including security; (ii) ₹ 521.50 million received from overdraft facility availed from HDFC Bank and Axis Bank and (iii) ₹ 343.54 million as short term secured bank loan taken from Export and Import Bank of India. This was partially offset by (i) ₹ 8.09 million paid towards expenses incurred in connection with issue of CCPS, (ii) ₹ 56.52 million paid towards repayment of unsecured loan, (iii) ₹ 0.24 million paid towards repayment of short term secured bank loan, (iv) ₹ 38.64 million interest paid and (v) ₹ 24.58 million towards payment of lease liability. The repayment of short term secured bank loan relates to loan taken from ICICI Bank and the interest paid comprises of interest costs on financial liabilities and working capital loans.

Fiscal 2022

Net cash used in financing activities in Fiscal 2022 was ₹ 106.01 million. This reflected (i) ₹ 0.33 million paid towards repayment of short term secured bank loan, (ii) payment of ₹ 150.00 million towards repayment of long term secured debentures, (iii) payment of ₹ 52.60 million towards repayment of overdraft facility of bank, (iv) ₹ 72.86 million interest paid and (v) ₹ 11.76 million towards payment of lease liability. The repayment of short term secured bank loan relates to loan taken from ICICI Bank Limited and the interest paid comprises of interest costs on financial liabilities and working capital loans. This was partially offset by (i) ₹ 124.99 million as proceeds from CCDs, (ii) ₹ 0.03 million received from issue of share warrants and (iii) ₹ 56.52 million received as unsecured loans. The proceeds from CCDs were received based on the terms of conversion of the CCD to CCPS and the unsecured loan was taken from Ganapathy Subramaniam by our Company.

Fiscal 2021

Net cash generated from financing activities in Fiscal 2021 was ₹ 427.85 million. This relates to (i) ₹ 297.95 million received as proceeds from CCDs, (ii) ₹ 150.00 million received from issue of unsecured debentures and (iii) ₹ 0.47 million as short term secured bank loan taken. The short term unsecured loan was taken from RBL Bank Limited. This was partially offset by (i) ₹ 0.31 million paid towards repayment of short term secured bank loan, (ii) ₹ 11.56 million interest paid and (iii) ₹ 8.70 million towards payment of lease liability. The repayment of short term secured bank loan relates to loan taken from ICICI Bank Limited and the interest paid comprises of interest costs on financial liabilities and working capital loans.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing, equity funding and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements. We evaluate our funding requirements regularly in light of cash flows from our operating activities, the requirements of our business and operations and market conditions.

Our Company had closing cash and cash equivalents of ₹ 45.04 million, ₹ 304.16 million and ₹ 52.59 million for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Our Company had ₹ nil, ₹ nil and ₹ 377.81 million non-current borrowings for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Our Company had ₹ 865.04 million, ₹ 56.76 million and ₹ 127.93 million current borrowings for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Our Company had ₹ 112.73 million, ₹ 94.51 million and ₹ nil non-current lease liabilities for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Our Company had ₹ 27.82 million, ₹ 12.47 million and ₹ 4.62 million current lease liabilities for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

For further information, see '***Restated Consolidated Financial Information***' on page 251.

CONTINGENT LIABILITIES AND COMMITMENTS

The following is a summary table of our contingent liabilities, as per Ind AS 37 as on March 31, 2023 as indicated in our Restated Consolidated Financial Information.

(in ₹ million)

S. No.	Particulars	As on March 31, 2023
1.	Demands raised by income tax authorities	35.22
2.	Demands raised by indirect tax authorities	34.33
	Total	**69.55**

For further information on our contingent liabilities and commitments, see '***Restated Consolidated Financial Information – Note 40 Contingent Liabilities and Commitments***' on page 325.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

RELATED PARTY TRANSACTIONS

We enter into various related parties in the ordinary course of business including rent expenses, managerial remuneration and promotional expenses. For further information relating to our related party transactions, see '***Restated Consolidated Financial Information – Notes to the Restated Consolidated Financial Information – Note 35 Related Party Transactions***' on page 315. For the risk relating to our related party transactions, see '***Risk Factors – 38. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***' on page 47.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rate and equity prices, will affect our Company's financial instruments. We are exposed to certain market risks that arise from the use of financial instruments, including, currency risk, price risk and interest rate risk.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due, causing financial loss to our Company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposure to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount.

Liquidity risk

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. Our Company's financial planning has ensured that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation. We regularly monitor the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess in invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. We import components used in the manufacturing of UAVs, the price of which are denominated in USD. Changes in currency exchange rates influence results of operations. Our Company does not enter into any derivative instruments for trading or speculative purposes.

Price risk

We are mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. We have laid down policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds and bonds.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Our Company's main interest rate risk arises from long-term borrowings with variable rates, which expose our Company to cash flow interest rate risk. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Inflation risk

In recent year, India has experienced relatively high rates of inflation. While we believe that inflation has not had any material impact on our business and results of operations in light of the growth of our revenues, inflation generally impacts the overall economy and business environment and hence could affect us.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

We do not depend on one customer or supplier. However, we have entered into contracts with various government entities for supplying UAVs and consequently our business is highly dependent on such contracts. For further information see, '***Risk Factors – 17. We are heavily reliant on sales to the Indian government including to the central and state government agencies. A decline in government budget, reduction in orders, termination of existing contracts, delay of existing contracts or any kind of adverse change in the Government of India policies for our sector would have a material adverse impact on our business, financial condition, and results of operations.'*** on page 37.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT

We operate in only a single reportable segment 'manufacturing and marketing of UAV systems' and there are no other reportable segments. The CODM evaluates our performance, and allocates the resources based on an analysis of overall country level performance indicators. For further information, see '***Restated Consolidated Financial Information***' on page 251.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT INCOME FROM OPERATIONS

Other than as described in this section and in '***Our Business***', '***Risk Factors***', and '***Industry Overview***' on pages 188, 29 and 132, respectively, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS

Other than as described in this section and the section titled '***Our Business***' on page 188, to our knowledge, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our revenues or income.

FUTURE CHANGES IN RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in this section and the sections of this Red Herring Prospectus titled '***Our Business***' and '***Risk Factors***' on pages 188 and 29, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

MATERIAL INCREASES IN NET INCOME AND SALES

Material increases in our Company's net income and sales are primarily due to the reasons described in the section titled '***– Results of Operations***' above on page 359.

PUBLICLY ANNOUNCED NEW PRODUCTS OR BUSINESS SEGMENTS/ MATERIAL INCREASES IN REVENUE DUE TO INCREASED DISBURSEMENTS AND INTRODUCTION OF NEW PRODUCTS

Other than as disclosed in this chapter and in '***Our Business***' on page 188, there are no publicly announced new products or business segments or material increases in revenue due to increased disbursements and introduction of new products that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. For further information, see '***Our Business – Competition***', '***Industry Overview***' and '***Risk Factors***' on pages 209, 132 and 29, respectively.

SEASONALITY OF BUSINESS

There is no seasonality in our business.

CHANGE IN ACCOUNTING POLICIES

There have been no changes in the accounting policies of our Company in the last three Fiscals.

For further information, see '***Restated Consolidated Financial Information***' on page 251.

MATERIAL DEVELOPMENTS SUBSEQUENT TO MARCH 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below and elsewhere in this Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Red Herring Prospectus, which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million pursuant to a resolution passed by the shareholders on June 6, 2023. The size of the Fresh Issue of up to ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is up to ₹ 2,400.00 million.

QUALIFICATIONS AND EMPHASIS OF MATTER

There are no qualifications which have not been given effect to in the Restated Consolidated Financial Information.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, as derived from our Restated Consolidated Financial Information. This table should be read in conjunction with the sections titled '***Risk Factors***', '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' and '***Financial Information***' and beginning on pages 29, 333 and 251, respectively.

(₹ in million, except ratios)

Particulars	Pre-offer as at March 31, 2023	As adjusted for the Offer*
Borrowings		
Non-current borrowings# (I)	-	[●]
Current borrowings# (II)	865.04	[●]
Total borrowings (III = I + II)	**865.04**	[●]
Equity		
Equity share capital# (IV)	213.36	[●]
Instruments entirely equity in nature (V)	0.67	[●]
Other Equity# (VI)	3,033.17	
Total Equity (VII = IV + V + VI)	3,247.21	[●]
Total borrowings/ Total Equity (VIII = III/VII)	0.27	[●]
Non-current borrowings/Total Equity (IX = I / VII)	-	[●]

**The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

 # These terms shall carry the meaning as per Schedule III of the Companies Act.

Notes:

The above has been computed on the basis on amounts derived from the Restated Consolidated Financial Information.

FINANCIAL INDEBTEDNESS

Our Company avails fund based and non-fund based facilities in the ordinary course of its business for purposes such as, *inter alia*, meeting our working capital requirements or business requirements.

For details of the borrowing powers of our Board, see '***Our Management - Borrowing Powers***' on page 229.

Set forth below is a brief summary of our aggregate outstanding borrowings amounting to ₹ 1,290.67 million, as on April 30, 2023 on a consolidated basis.

(in ₹ million)

Category of Borrowing	Sanctioned Amount (to the extent applicable)	Amount outstanding as on April 30, 2023
Secured Loan		
(a) Fund based facilities		
Term loans	-	-
Working capital facilities	960.74	851.32
(b) Non-fund based facilities		
Bank guarantee (partially interchangeable) [1]	816.46	439.35
Unsecured Loan	-	-
Total borrowings	**1,777.21**	**1,290.67**

**As certified by Ramanand & Associates, Chartered Accountants, by way of their certificate dated June 12, 2023.*
(1) Out of the total non-fund based undrawn amount of ₹ 377.11 million, only ₹ 20.00 million is available as derivatives limit.

Key terms of our secured borrowings are disclosed below:

- ***Tenor and interest rate***: The tenor of the fund based and non-fund based facilities availed by our Company ranges from one year to three years. The interest rates for the facilities availed by our Company are typically linked to benchmark rates, such as the repo rate prescribed by the RBI, and a spread per annum is charged above these benchmark rates. The fund based and non-fund based facilities availed by our Company have an interest rate varying from 1.00% p.a to 9.25 % p.a.

- ***Security***: In terms of our borrowings where security needs to be created, we are typically required to create security by way of charge on movable assets (both present and future), current assets, receivables, all stock in trade (both present and future), all the book debts and plant and machinery. Further, our Promoters have provided guarantees in relation to certain borrowings availed by our Company.

- ***Repayment***: Our fund based facilities are repayable on demand.

- ***Prepayment :*** Some of the loans availed by our Company have prepayment provisions which allows for prepayment of the outstanding loan amount and sometimes carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents. Some of our loan agreements require us to pay prepayment penalties.

- ***Penal Interest:*** We are typically bound to pay additional interest to our lenders for defaults in the payment of interest or other monies due and payable. This additional interest is charged as per the terms of our loan agreements and is typically 2.00% over the applicable interest rate.

- ***Restrictive Covenants:*** As per the terms of our loan agreements, certain corporate actions for which our Company requires prior written consent of the lenders include:

    a) Change in control/ownership/management of our Company;

    b) Amending the constitutional documents of our Company;

    c) Effecting any changes to the capital structure or shareholding pattern of our Company; and

    d) Permit any change in the general nature of the business or undertake any new projects, expansion or any other capital investment or obtain equipment on lease other than that taken in the normal course of business.

- ***Events of Default:*** As per the terms of our borrowings, the following, among others, constitute events of default:

  a) Non-Payment of instalment/ interest within the stipulated time;

  b) Representations or warranties found to have been false, incomplete or misleading in any material respect when made or deemed to have been made;

  c) Any breach or default shall have occurred in the observance or performance of any obligation by a guarantor or surety or any other person liable for our Company;

  d) Any licence, consent, approval or exemption of any competent authority is revoked withheld or materially modified or not renewed; and

  e) Application/petition filed under the Insolvency and Bankruptcy Code, 2016.

- ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the following, *inter alia*, are the consequences of occurrence of events of default, whereby our lenders may:

  a) Terminate the right of our Company to avail any facilities and the unavailed portion of our facilities shall stand cancelled;

  b) Seek immediate repayments of the facilities;

  c) Enforce the security created in the favour of bank or security trustee; and

  d) Review the management structure and board, and review the conditions for the appointment or reappointment of the managing director or any other person holding substantial powers of management;

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, *inter alia,* effecting a change in our shareholding pattern, effecting a change in the composition of our Board and amending our constitutional documents.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see '***Risk Factors – 41. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations***' on page 49.

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) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Subsidiary, our Directors and our Promoters ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years including outstanding actions. As on the date of this Red Herring Prospectus, our Company does not have any group company.*

Pursuant to the Materiality Policy adopted by our Board of Directors on February 3, 2023 for the purposes of (iv) above, any pending litigation (including arbitration proceedings) involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding actions, and tax matters, has been considered 'material' and accordingly disclosed in this Red Herring Prospectus where:

(i) the monetary claim made by or against the Relevant Parties in any such pending litigation/arbitration proceeding is equivalent to or above 1% of the restated profit after tax of the Company, for Fiscal 2023, as per the Restated Consolidated Financial Information being ₹ 3.20 million;

(ii) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does exceed the materiality threshold as specified in (i) above, or such pending matters which involve the Relevant Parties but are not falling in (i) above but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company; and

(iii) any such litigation where the decision in one matter is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (i) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (i) above;

*Except as stated in this section, there are no outstanding material dues to creditors of the Company. In terms of the Materiality Policy, outstanding dues to any creditor of the Company having monetary value exceeding ₹ 6.99 million, which is 5% of the total trade payables of our Company as of March 31, 2023 as per the Restated Consolidated Financial Information shall be considered as 'material'. Accordingly, as of March 31, 2023 as per the Restated Consolidated Financial Information, any outstanding dues exceeding ₹ 6.99 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party, which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

It is clarified that for the purpose of the Materiality Policy, pre-litigation notices received by the Relevant Parties from third parties (excluding governmental/statutory/regulatory/ judicial authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Red Herring Prospectus.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

A first information report dated May 3, 2023, was filed against our Company, our Promoter and Chief Executive Officer and Whole-Time Director, Ankit Mehta and others, at police station at Kharsiya, District

Raigarh, Chhattisgarh under sections 308, 337 and 287 of the Indian Penal Code ("**FIR**") against a complaint received from Haider Ali, director of Flying Technology Solutions Private Limited. The FIR was lodged in relation to an accident that took place at a client site on April 27, 2023 and it has been alleged in the FIR that the battery of a UAV manufactured by our Company exploded while it was being charged, which led to the injury to four persons. Our Promoter, Chief Executive Officer and Whole-Time Director, Ankit Mehta has filed a bail application along with an application for the quashing the FIR, before the Hon'ble High Court of Chhattisgarh at Bilaspur. The matter is currently pending.

Outstanding actions by regulatory and statutory authorities

The Directorate General of Civil Aviation, Government of India issued a show cause notice to our Company dated May 23, 2023, ("**Notice**") alleging non compliance with Rule 17 of the Drone Rules, 2021, while transferring one of the UAVs manufactured by us to Flying Technology Solutions Private Limited in December, 2022. Our Company has submitted a reply dated June 7, 2023 to the Notice denying such non compliance. The matter is currently pending.

Material Civil proceedings

Nil

B. Litigation filed by our Company

Criminal proceedings

Nil

Material Civil proceedings

Nil

C. Tax proceedings involving our Company

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	1	35.22
Indirect Tax	4	34.33
Total	**5**	**69.55**

II. Litigation involving our Subsidiary

A. Litigation filed against our Subsidiary

Criminal proceedings

Nil

Outstanding actions by regulatory and statutory authorities

Nil

Material Civil proceedings

Nil

B. Litigation filed by our Subsidiary

Criminal proceedings

Nil

Material Civil proceedings

Nil

C. Tax proceedings involving our Subsidiary

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. Litigation involving our Directors

A. Litigation filed against our Directors

Criminal proceedings

For details, see '***Outstanding Litigation and Material Developments - Litigation filed against our Company – Criminal Proceedings***'

Outstanding actions by regulatory and statutory authorities

Nil

Material Civil proceedings

Nil

B. Litigation filed by our Directors

Criminal proceedings

Nil

Material Civil proceedings

Nil

C. Tax proceedings involving our Directors

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	1	Nil
Indirect Tax	Nil	Nil
Total	1	Nil

IV. Litigation involving our Promoters

A. Litigation filed against our Promoters

Criminal proceedings

For details, see '***Outstanding Litigation and Material Developments - Litigation filed against our Company – Criminal Proceedings***'

Outstanding actions by regulatory and statutory authorities

Nil

Material Civil proceedings

Nil

Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years including outstanding actions

Nil

B. Litigation filed by our Promoters

Criminal proceedings

Nil

Material Civil proceedings

Nil

C. Tax proceedings involving our Promoters

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

V. Outstanding dues to creditors

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2023, are set out below:

Type of creditors	Number of creditors	Amount involved (*in ₹ million*)
Material creditors	2	19.16
Micro, Small and Medium Enterprises	72	37.41
Other creditors	144	83.32
Total	218	139.89

** The total of the trade payables as per the Restated Consolidated Financial Information is ₹ 139.89 million, including provisions of ₹ 1.86 million for accrued expenses with respect to MSME creditors and ₹ 48.15 million with respect to other creditors.*

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website at https://ideaforgetech.com/investor-relations/material-creditors.

Material Developments

Other than as stated in the section entitled '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' on page 333, there have not arisen, since the date of the last financial information disclosed in this 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 assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the DRHP.

GOVERNMENT AND OTHER APPROVALS

*Our business activities and operations require various approvals issued by relevant central and state authorities under various rules and regulations. We have set out below an indicative list of all material approvals obtained by our Company, as applicable, for the purposes of undertaking our business activities and operations ("**Material Approvals**"). In view of such approvals, our Company can undertake the Offer and its current business activities. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal.*

*For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see '**Risk Factors – 16. We are subject to various laws and regulations, including environmental and health and safety laws and regulations. If we fail to obtain, maintain or renew the licenses, permits and approvals required to operate our business, or fail to comply with applicable laws, our business, results of operations and financial condition may be adversely affected.**' on page 37. For further details in connection with the regulatory and legal framework within which we operate, see '**Key Regulations and Policies**' on page 211.*

I. General details

Incorporation details of our Company

(i) Certificate of incorporation dated February 8, 2007, issued to our Company by the RoC in the name of "ideaForge Technology Private Limited", with Corporate Identity Number (CIN) U31401MH2007PTC167669.

(ii) Fresh certificate of incorporation dated January 2, 2023 issued by the RoC, pursuant to conversion of our Company from 'private limited company' to a 'public limited company' and consequential change in our name from "ideaForge Technology Private Limited" to "ideaForge Technology Limited". The new Corporate Identity Number (CIN) is U31401MH2007PLC167669.

Offer related approvals

For details of corporate and other approvals obtained in relation to the Offer, see '***The Offer***' and '***Other Regulatory and Statutory Disclosures***' on pages 61 and 380, respectively.

Tax related approvals

(i) The permanent account number of our Company is AABCI6495B.

(ii) The tax deduction account number of our Company is MUMI08237F.

(iii) The GST registration number of our Company is 27AABCI6495B1ZK, issued by the Government of India for GST payments in the state of Maharashtra where our business operations are situated.

Labour and Employee related approvals

(i) Under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as amended, our Company has been allotted code number MH/VASHI/220870.

(ii) Under the provisions of the Employees State Insurance Act, 1948, as amended, our Company has been allotted code number 34000290340000999.

(iii) Under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, our Company has obtained registration certificate number 2210200710022813.

Importer-Exporter Code

(i) Certificate of Importer Exporter Code ("**IEC**"), granting the IEC number 0307030288, issued by the Additional Directorate General of Foreign Trade, Ministry of Commerce and Industry.

II. **Material Approvals obtained by our Company**

We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business activities and operations in India. We have obtained the following Material Approvals.

(i) Under the provisions of the Industries (Development and Regulation) Act, 1951 as amended, our Company has been issued industrial license number DIL: 24(2015).

The Secretariat for Industrial Assistance (IL Section), Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, in its letter dated April 22, 2015, while granting the industrial license to us mandated including the following statement in any prospectus or other documents by which the public is invited to subscribe for the industrial undertaking:

"*A license has been obtained from the Central Government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that, in granting this license, the Govt. of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.*"

Sl. No.	***Name of the Item***
1.	***Manufacture of Unmanned Aerial Systems.***

(ii) Under the provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017, as amended, our Company has been issued registration certificate no. 2210200317001109.

(iii) Under the provisions of the Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016, from the Maharashtra Pollution Control Board , as amended, our Company has been granted the consent to operate vide letter no. 0000151604/CE/2212002527.

Material Approvals to be obtained by our Company

Material Approvals or renewals applied for but not received

S. No.	Description	Authority	Date of Expiry
1.	Registration certificate under Contract Labour (Regulation and Abolition) Act, 1970	Labour Authority, Government of Maharashtra	June 30, 2023

Material Approvals expired and not applied for renewal

Nil

Material Approvals required but not applied for or obtained

Nil

Material Approvals about to expire in near future and will require renewal

Nil

III. Intellectual Property

Trademarks

As on June 17, 2023, we have 33 registered trademarks in India. Further, as on June 17, 2023, we have applied for 19 trademarks which are pending at various stages in India and 2 trademarks which are pending at various stages in other jurisdictions.

Patents

As on June 17, 2023, we have 10 granted patents in India and 15 granted patents in other jurisdictions. Further, as on June 17, 2023, we have applied for 20 patents which are pending at various stages in India, and 17 patents which are pending at various stages in other jurisdictions.

Copyrights

As on June 17, 2023, we have 7 registered copyrights in India. Further, as on June 17, 2023, we have applied for 2 copyrights which are pending in India.

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered:

(i) the companies (other than our Subsidiary) with which there were related party transactions during the period for which the Restated Consolidated Financial Information has been disclosed in this Red Herring Prospectus; and
(ii) any other company as considered material by the Board.

With respect to point (ii) above, for the purpose of disclosure in this Red Herring Prospectus, the Board in its meeting held on February 3, 2023 has considered and adopted the Materiality Policy for, amongst others, the identification of companies that shall be considered material and disclosed as a 'group company' in this Red Herring Prospectus. In terms of the Materiality Policy, a company (other than the companies covered under the schedule of related party transactions) shall be considered "material" and will be disclosed as a 'Group Company' in this Red Herring Prospectus if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more related party transactions during the period after the last completed financial year and the stub period, if any, which individually or in the aggregate, exceed 10% of the total revenue from operations of our Company for the last completed financial year, as applicable, as included in the Offer Documents until the date of filing of the Offer Documents.

Accordingly, as on the date of this Red Herring Prospectus, based on the above, we do not have any Group Companies

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer pursuant to a resolution passed at its meeting held on February 3, 2023.
- Our Shareholders have authorised the Fresh Issue, pursuant to a special resolution passed on February 4, 2023 under Section 62(1)(c) of the Companies Act, 2013.
- The Draft Red Herring Prospectus was approved pursuant to a resolution passed by our Board on February 9, 2023 and the IPO Committee on February 10, 2023.
- This Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on June 19, 2023.

Approvals from the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholder	Date of Consent Letter	Date of corporate authorization/ board resolution	No. of Offered Shares
Promoter Selling Shareholder				
1.	Ashish Bhat	February 9, 2023	N.A.	Up to 158,200 Equity Shares
Individual Selling Shareholders				
2.	Amarpreet Singh	February 9, 2023	N.A.	Up to 8,362 Equity Shares
3.	Nambirajan Seshadri	February 9, 2023	N.A.	Up to 22,600 Equity Shares
4.	Naresh Malhotra	February 9, 2023	N.A.	Up to 22,600 Equity Shares
5.	Sujata Vemuri	February 9, 2023	N.A.	Up to 203,400 Equity Shares
6.	Sundararajan K Pandalgudi	February 9, 2023	N.A.	Up to 51,980 Equity Shares
Corporate Selling Shareholders				
7.	A&E Investment LLC	February 8, 2023	January 13, 2023	Up to 135,600 Equity Shares
8.	Agarwal Trademart Private Limited	February 9, 2023	January 16, 2023	Up to 53,200 Equity Shares
9.	Celesta Capital II Mauritius	February 8, 2023	January 17, 2023	Up to 1,106,722 Equity Shares
10.	Celesta Capital II-B Mauritius	February 8, 2023	January 17, 2023	Up to 131,758 Equity Shares
11.	Export Import Bank of India	February 9, 2023	December 9, 2022	Up to 202,044 Equity Shares
12.	Indusage Technology Venture Fund I	February 8, 2023	December 24, 2022	Up to 1,695,000 Equity Shares
13.	Qualcomm Asia Pacific Pte. Ltd.	February 8, 2023	December 28, 2022	Up to 1,055,646 Equity Shares
14.	Society for Innovation and Entrepreneurship	February 9, 2023	January 10, 2023	Up to 22,600 Equity Shares

Each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus. Further, in accordance with Regulation 8A of the SEBI ICDR Regulations, the Equity Shares offered for sale by (i) Selling Shareholders holding, individually or with persons acting in concert, more than 20% of the pre-Offer shareholding of our Company (on a fully-diluted basis), shall not exceed more than 50% of their respective pre-Offer shareholding (on a fully-diluted basis) and (ii) Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of our Company (on a fully-diluted basis), shall not exceed more than 10% of the pre-Offer shareholding of our Company (on a fully-diluted basis).

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated March 24, 2023 and March 27, 2023, respectively.

Prohibition by Securities Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") or governmental authorities.

Our Company, our Promoters, members of the Promoter Group, our Directors or persons in control of our Company and each of the Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, member of the Promoter Group and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them in respect of its respective holding in our Company, as on the date of this Red Herring Prospectus.

Directors associated with the Securities Market

Except (i) Sutapa Banerjee, who is associated with Axis Capital Limited as a director and (ii) Srikanth Velamakanni, who is associated with Theremin Multi Strategy Fund LLP, as a body corporate nominee (designated partner), none of our Directors are associated with the securities market in any manner. No outstanding action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Red Herring Prospectus.

Other confirmations

None of our Promoter Group companies appear in the lists of struck-off companies/limited liability partnerships by the registrar of companies. Further, except as disclosed below, none of our Promoters, individual members of the Promoter Group and Directors have been or are directors on the board of any company or limited liability partnership whose name appears in the lists of struck-off companies/limited liability partnerships by the registrar of companies:

S. No.	Name	Category	Name of the company/ limited liability partnership struck-off by the registrar of companies^
1.	Ravi Bhagavatula	Member of Promoter Group	Pyxis Pictures Private Limited
2.	Ankit Mehta	Promoter and Director	Generic Systems Private Limited*
3.	Mathew Cyriac	Director	Florintree Services Private Limited*
4.	Srikanth Velamakanni	Director	Predicta Solutions Private Limited*

^ Based on the 'Search report in relation to the directors, promoters and members of the promoter group of ideaForge Technology Limited' dated June 19, 2023 issued by Amita Desai & Co., Company Secretaries.

** Generic Systems Private Limited, Florintree Services Private Limited and Predicta Solutions Private Limited were struck-off by the Registrar of Companies on the basis of voluntary action taken by the respective companies.*

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations which states the following:

"An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so."

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations.

We are therefore required to allot not less than 75% of the Net Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations, and other applicable law.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith, in accordance with the SEBI ICDR Regulations and applicable law.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

a) Our Company, the Selling Shareholders, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;

b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI;

c) Neither our Company nor any of our Promoters or Directors has been declared a Wilful Defaulters or a Fraudulent Borrower;

d) None of our Promoters or our Directors have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018; and

e) Except for the options granted pursuant to ESOP 2018, there are no outstanding convertible securities, warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus. For further information on the ESOP schemes of our Company, see *'**Capital Structure – Employee Stock Option Scheme**'* on page 97 and for further information on the Preferences Shares issued by our Company, see *'**Capital Structure – Preference share capital history of our Company**'* on page 84.

DISCLAIMER CLAUSE OF SECURITIES EXCHANGE BOARD OF INDIA ("SEBI")

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS

OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, AND IIFL SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES. THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED AND IIFL SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers ("BRLMs")

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this 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 at www.ideaforgetech.com or the website of any affiliate of our Company or any of the Selling Shareholders, would be doing so at his or her own risk.

Each of the Selling Shareholder, it's respective directors, affiliates, partners, associates and officers, accept no responsibility for any statements made or undertakings provided other than those made by the respective Selling Shareholders, and only in relation to it and/or to the Equity Shares offered by such Selling Shareholder through the Offer for Sale and included in this Red Herring Prospectus and anyone placing reliance on any other source of information, including our Company's website at www.ideaforgetech.com or website of any of the Selling Shareholders, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided In the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders (with respect to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Investors who Bid in the Offer were required to confirm and would be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those 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.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state of the United States.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the BSE Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of the Draft Red Herring Prospectus vide its in-principle approval dated March 24, 2023, is as under:

"BSE Limited ("the Exchange") has given vide its letter dated March 24, 2023, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, vide its in-principle approval dated March 27, 2023, is as under:

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2189 dated March 27, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares proposed to be Allotted pursuant to this Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for the listing and trading of the Equity Shares being issued and sold in the Offer and NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds as required under the Companies Act and any other applicable law will be reimbursed by such Selling Shareholder as agreed among our Company and the Selling Shareholders in writing, in proportion to its respective portion of the Offered Shares. Provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Statutory Auditors, the legal counsel, the bankers to our Company, industry report provider, independent chartered accountants, the BRLMs, Registrar to the Offer, the Syndicate Member, Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank, Refund Bank and Monitoring Agency to act in their respective capacities, has been obtained. Further, such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus with SEBI and the Prospectus with the RoC.

Experts to the Offer

Our Company has received written consent dated June 19, 2023, from B S R & Co. LLP, Chartered Accountants, our Statutory Auditors, who hold a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act 2013 read with the SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated May 29, 2023 relating to the Restated Consolidated Financial Information and (ii) the statement of possible special tax benefits dated June 19, 2023 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent dated June 12, 2023, from Ramanand & Associates, Independent Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

Our Company has received written consent dated February 3, 2023 from A. D. Joshi Chartered Engineers and Valuers LLP, Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer, in relation to the certificate dated June 12, 2023 certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facility.

Such consents have not been withdrawn as on the date of this DRHP. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue in the five years preceding the date of this Red Herring Prospectus. Other than as disclosed in '***Capital Structure***' on page 76, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Red Herring Prospectus.

Capital issues in the preceding three years by our Company, our listed group companies, subsidiary and associates of our Company

Except as disclosed in '***Capital Structure***' on page 76, our Company has not made any capital issue during the three years preceding the date of this Red Herring Prospectus. As on the date of this Red Herring Prospectus, our Subsidiary is not listed. As on the date of this Red Herring Prospectus, we do not have any associates or group company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years immediately preceding the date of this Red Herring Prospectus.

Performance vis-à-vis Objects - Public/rights issue of the listed subsidiary/ promoters of our Company

Our Company does not have any listed promoters or listed subsidiary.

Price information of past issues handled by the Book Running Lead Managers

JM Financial Limited

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.	Avalon Technologies Limited*	8,650.00	436.00	April 18, 2023	436.00	-10.09% [2.95%]	Not Applicable	Not Applicable
2.	Elin Electronics Limited#	4,750.00	247.00	December 30, 2022	243.00	-15.55% [-2.48%]	-52.06% [-4.73%]	Not Applicable
3.	Uniparts India Limited#	8,356.08	577.00	December 12, 2022	575.00	-5.11% [-3.24%]	-7.38% [-4.82%]	-0.60% [0.80%]
4.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	56.87% [-1.19%]	32.68% [0.24%]
5.	Bikaji Foods International Limited#7	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	26.95% [-2.50%]	24.23% [0.08%]
6.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	35.94% [-3.47%]	61.67% [-0.52%]

7.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	12.84% [-2.97%]	25.52% [-0.48%]
8.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	42.63% [3.72%]	23.81% [2.98%]
9.	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	31.92% [3.76%]	10.68% [4.65%]	-2.18% [-0.42%]
10.	Paradeep Phosphates Limited#	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
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 ₹ 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *Not Applicable - Period not completed*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

Financial Year	Total no. of IPOs	Total funds raised (₹ millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024	1	8,650.00	-	-	1	-	-	-	-	-	-	-	-	-
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	1	2	2	3	2
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4

IIFL Securities Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited.*

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	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	Tracxn Technologies Limited	3,093.78	80.00	NSE	October 20, 2022	84.50	-10.25%,[+4.23%]	+25.13%,[+2.79%]	-12.69%,[+0.81%]
2	Fusion Micro Finance Limited	11,039.93	368.00	NSE	November 15, 2022	359.50	+9.86%,[+1.40%]	+12.84%,[-2.97%]	+25.52%,[-0.48%]
3	Bikaji Foods International Limited	8,808.45	300.00(1)	NSE	November 16, 2022	322.80	+28.65%,[-0.29%]	+26.95%,[-2.50%]	+24.17%,[+0.08%]
4	Archean Chemical Industries Limited	14,623.05	407.00	NSE	November 21, 2022	450.00	+25.42%,[+1.24%]	+56.87%,[-1.19%]	+32.68%,[+0.24%]
5	Kaynes Technology India Limited	8,578.20	587.00	NSE	November 22, 2022	778.00	+19.79%,[-0.25%]	+48.24%,[-1.64%]	+102.18%,[-0.22%]
6	Sula Vineyards Limited	9,603.49	357.00	NSE	December 22, 2022	361.00	+18.59%,[-0.55%]	-4.87%,[-5.63%]	N.A.
7	KFin Technologies Limited	15,000.00	366.00	NSE	December 29, 2022	367.00	-13.55%,[-3.22%]	-24.56%,[-6.81%]	N.A.
8	Radiant Cash Management Services Limited	2,566.41	94.00(2)	NSE	January 4, 2023	103.00	+2.55%,[-2.40%]	+2.23%,[-3.57%]	N.A.
9	Avalon Technologies Limited	8,650.00	436.00	NSE	April 18, 2023	436.00	-10.09%,[+2.94%]	N.A.	N.A.
10	Mankind Pharma Limited	43,263.55	1080.00	NSE	May 9, 2023	1300.00	+37.61,[+2.52%]	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of ₹ 15 per equity share was offered to eligible employees bidding in the employee reservation portion.

(2) Issue price for anchor investors was ₹ 99 per equity share.

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been 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. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited.*

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	17	3,58,549.95	-	-	5	-	4	8	-	6	4	3	1	3
2022-23	12	106,650.92	-	-	4	-	4	4	-	-	1	1	3	4
2023-24	2	51,913.55	-	1	1	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

Track record of past issues handled by the Book Running Lead Managers ("BRLMs")

For details regarding the track record of the Book Running Lead Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	JM Financial Limited	www.jmfl.com
2.	IIFL Securities Limited	www.iiflcap.com

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances in relation to the Bidding process, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and nonreceipt 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 SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable laws, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including:(i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Member to once per Bid/Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

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

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSBs in case of ASBA bidders for the redressal of routine investor grievances shall be ten Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has obtained authentication on the SCORES platform in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and is in compliance with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has appointed Sonam Gupta, as the Company Secretary and Compliance Officer of our Company, and she may be contacted in case of any pre-Offer or post-Offer related problems. For details, see '***General Information***' on page 67.

Our Company has also constituted a Stakeholders' Relationship Committee, comprising of our Directors, Mathew Cyriac, Vikas Balia and Ankit Mehta, to review and redress the shareholders' and investors' grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders' Relationship Committee, please see *'**Our Management**'* on page 222.

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus.

Each of the Selling Shareholders have severally and not jointly authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India ("SEBI")

Our Company has not sought any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities, issued from time to time, by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities while granting approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be incurred in the manner specified in '***Objects of the Offer – Offer related Expenses***' on page 114.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment as per the applicable law. For more information, see '***Main Provisions of the Articles of Association***' on page 426.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect or any other applicable law. Any dividends declared, after the date of Allotment in the Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For more information, see '***Dividend Policy***' and '***Main Provisions of the Articles of Association***' on pages 250 and 426, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, the minimum Bid Lot will be decided by our Company, Indusage and Celesta Capital in consultation with the BRLMs, and published by our Company in all editions of the Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language in the place where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, Indusage and Celesta Capital, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

1. Right to receive dividends, if declared;

2. Right to attend general meetings and exercise voting powers, unless prohibited by law;

3. Right to vote on a poll either in person or by proxy and e-voting in accordance with the provisions of the Companies Act;

4. Right to receive offers for rights shares and be allotted bonus shares, if announced;

5. Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;

6. Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and

7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see '***Main Provisions of the Articles of Association***' on page 426.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. Hence, the Equity Shares offered through this Red Herring Prospectus can be applied for in the dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated December 1, 2022, among NSDL, our Company and the Registrar to the Offer.

- Tripartite Agreement dated November 25, 2022, among CDSL, our Company and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see '***Offer Procedure***' on page 404.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON*	Monday, June 26, 2023
BID/OFFER CLOSES ON#**	Thursday, June 29, 2023

* *Our Company, Indusage and Celesta Capital in consultation with the BRLMs, consider participation by Anchor Investors.*

** *Our Company, Indusage and Celesta Capital in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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

An indicative timetable in respect of the Offer is set out below:

BID/OFFER CLOSING DATE	Thursday, June 29, 2023
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about Tuesday, July 4, 2023
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	On or about Wednesday, July 5, 2023
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	On or about Thursday, July 6, 2023
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	On or about Friday, July 7, 2023

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the blocked funds other than the original application amount shall be instantly revoked and the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the different amount (i.e., the blocked amount less the Bid Amount) shall be instantly revoked and the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the*

difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or any of the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

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

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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.

To avoid duplication, the facility of re-initiation provided to Syndicate Member shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Further, as per letter no. list/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, Indusage and Celesta Capital in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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

Employee Discount

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

On the date of closure of the Offer, if our Company does not receive (i) minimum subscription of 90% of the Fresh Issue and (ii) a subscription in the Offer equivalent to at least the minimum number of securities as specified under Rule 19(2)(b)(iii) of the SCRR our Company shall forthwith refund the entire subscription amount received.

If there is a delay beyond four days, our Company shall pay interest at the rate of 15% per annum including the circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000. In case of an undersubscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Offered Shares shall first be allocated or transferred in proportion to the Offered Shares of each Selling Shareholder and subsequently, Allotment shall be made towards the balance portion of the Fresh Issue.

Each of the Selling Shareholders shall severally and not jointly adjust or reimburse, in proportion to the portion of its respective Offered Shares, any expenses (with regard to delayed payment of refunds) and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law as agreed among our Company and the Selling Shareholders in writing, provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder and any expenses and interest shall be paid to the extent of its respective portion of the Offered Shares.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

Our Company is not issuing any new financial instruments through the Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, minimum Promoter's contribution and Anchor Investor lock-in in the Offer, as detailed in *'**Capital Structure**'* on page 76 and except as provided in our Articles as detailed in '***Main Provisions of the Articles of Association***' on page 426, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue portion of the Offer is not subscribed. Further, our Company, Indusage and Celesta Capital in consultation with the BRLMs, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, Indusage and Celesta, in consultation with the BRLMs withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) the final RoC approval of the Prospectus after it is filed and/ or submitted with the RoC and the Stock Exchanges. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 each at an Offer Price of ₹ [●] per Equity Share for cash aggregating up to ₹ [●] million comprising of a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 2,400.00 million by our Company and an Offer of Sale up to 4,869,712 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders.

The Offer comprises Employee Reservation Portion of up to 13,112 Equity Shares and a Net Offer of up to [●] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●] % and [●] %, respectively of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement aggregating to ₹ 600.00 million. The size of the Fresh Issue of upto ₹ 3,000.00 million has been reduced by ₹ 600.00 million pursuant to the Pre-IPO Placement and accordingly, the revised size of the Fresh Issue is up to ₹ 2,400.00 million.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(2) and 31 of the SEBI ICDR Regulations.

Particulars	Eligible Employees#	QIBs[1]	Non-Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation*(2)	Up to 13,112 Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIIs	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment or allocation	up to [●]% of the post-Offer paid-up equity share capital of our Company	Not less than 75% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the 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 QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Net Offer less allocation to QIB Bidders and RIIs shall be available for allocation	Not more than 10% of the Net Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation
Basis of Allotment if respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for value exceeding ₹200,000	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above c) up to [●] Equity Shares may be allocated on a	The specified securities available for allocation in the Non-Institutional Portion shall be subject to the following – (i) Not more than 15% of the Net Offer less allocation to QIB Bidders and RIIs shall be available for allocation out of which: (i) One-third of the Non-Institutional Portion will be	The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see '***Offer Procedure***' on page 404

Particulars	Eligible Employees#	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Investors
	(net of Employee Discount), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)	discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) Two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the sub categories specified above may be allocated to Applicants in the other sub-category of Non-Institutional Bidders. The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. For further details, see '***Offer Procedure***' on page 404	
Mode of Bid^	Through ASBA Process only (except in case of Anchor Investors)			
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹500,000 less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			

Particulars	Eligible Employees#	QIBs[1]	Non-Institutional Bidders	Retail Individual Investors
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply[3][4]	Eligible Employees	Public financial institutions as defined in the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Development and Regulatory Authority, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment[5]	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer.*

 # Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹ 200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

^ SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) *Our Company, Indusage and Celesta Capital in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹ 50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company, Indusage and Celesta Capital in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to QIBs provided that our Company, Indusage and Celesta Capital may, in*

consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLMs, of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the 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 (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion, and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first bidder would be required in the Bid cum Application Form and such first bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Bids by FPIs with certain structures as described under '**Offer Procedure – Bids by Foreign Portfolio Investors ("FPIs")**' on page 410 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in 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 Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid. Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange, on proportionate basis as per the SEBI ICDR Regulations.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*The SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular has come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of application monies from 15 days to four days.*

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their *sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, Indusage and Celesta Capital in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, Indusage and Celesta Capital in consultation with the BRLMs in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Furthermore, up to 13,112 Equity Shares, aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, Indusage and Celesta Capital in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by the Selling Shareholders shall be in proportion to the Offered Shares by such Selling Shareholders. In accordance with Rule 19(2)(b) of the SCRR, the Offer and Net Offer will constitute at least [●]% and [●]%, respectively, of the post Offer paid-up Equity Share capital of our Company. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

Investors must ensure that their Permanent Account Number ("PAN") is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and read with press release dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for RIIs Bidding through the UPI Mechanism and Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism), as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the UPI Circulars, the UPI Mechanism had 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 RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the 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 RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹ 200,000 to ₹ 500,000 for applications using UPI in initial public offerings.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders shall Bid in the Offer through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs (other than UPI Bidders) may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

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 Investors and Eligible NRIs applying on a non-repatriation basis^	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors^^	White
Eligible Employees Bidding in the Employee Reservation Portion#	Pink

* *Excluding the electronic Bid cum Application Form*

^ *Electronic Bid cum Application Form will be made available for download on the website of the BSE (*www.bseindia.com*) and NSE (www.nseindia.com)*

^^ *Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.*

\# *Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of our Company.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For RIIs 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 RIIs for blocking of funds.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders, 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 Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders 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. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Participation by the Promoters and Promoter Group of our Company, Book Running Lead Managers ("BRLMs"), the Syndicate Member and their associates and affiliates

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs;

(iv) FPIs other than individuals, corporate bodies and family offices which are associate of the BRLMs or pension funds sponsored by entities which are associate of the BRLMs; or

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

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Bids by 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, Indusage and Celesta Capital in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

In case of multiple Bids, bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Non-Resident Indian ("NRIs")

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB 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 authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (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 of Eligible NRIs in the Offer shall be subject to the FEMA Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible 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 Share 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 Share capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Pursuant to the special resolution of our Shareholders dated February 4, 2023, the aggregate ceiling of 10% was raised to 24%.

For details of restrictions on investment by NRIs, see '***Restrictions on Foreign Ownership of Indian Securities***' on page 425.

Bids by Hindu Undivided Family ("HUFs")

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by Foreign Portfolio Investors ("FPIs")

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 49% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 49%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

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, Indusage and Celesta Capital, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt 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 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such 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 are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;

- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by Securities Exchange Board of India ("SEBI") registered Venture Capital Funds ("VCFs"), Alternative Investment Funds ("AIFs") and Foreign Venture Capital Investors ("FVCIs")

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholder 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, Indusage and Celesta Capital in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, Indusage and Celesta Capital in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by Self Certified Syndicate Banks ("SCSBs")

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012, and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, Indusage and Celesta Capital in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, Indusage and Celesta Capital, in consultation with the BRLMs reserve 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 by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250.00 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 reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, Indusage and Celesta Capital in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, Indusage and Celesta Capital in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100.00 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million;

    (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and

    (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

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

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices which are associate of BRLMs or pension funds sponsored by entities which are associate of the BRLMs) shall apply in the Offer under the Anchor Investor Portion. For details, see '- ***Participation by the Promoters and Promoter Group of our Company, Book Running Lead Managers ("BRLMs"), the Syndicate Member and their associates and affiliates***' on page 409.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, Indusage and Celesta Capital, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (net of Employee Discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹ 500,000 (net of Employee Discount).

However, Allotments to Eligible Employees in excess of ₹ 200,000 (net of Employee Discount) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount) (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).

(b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.

(c) Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion.

(d) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for Allotment under this category.

(e) Eligible Employees can apply at Cut-off Price.

(f) If the aggregate demand in this category is less than or equal to 13,112 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(g) Eligible Employees bidding in the Employee Reservation Portion can also Bid through the UPI mechanism.

(h) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than 13,112 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Member, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLMs, Registrar to the Offer or Syndicate Member are not eligible to bid in the Employee Reservation Portion.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from it does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by it under applicable law or regulation or as specified in this Red Herring Prospectus and the Prospectus.

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs and Eligible Employees Bidding under the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
7. UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/Offer Closing Date;
10. Ensure that the signature of the first bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
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. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
15. 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;

16. 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;

17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

23. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidder Bidding through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

26. The ASBA Bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;

27. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder

Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the UPI Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

29. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first bidder (in case of joint account) in the Bid cum Application Form;

30. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

31. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion for allocation in the Offer; and

32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹ 500,000 for Bids by UPI Bidders and Eligible Employees Bidding in the Employee Reservation Portion;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Member shall ensure that they do not upload any bids above ₹ 5,00,000;

10. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

11. Do not submit the Bid for an amount more than funds available in your ASBA Account;

12. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

13. 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;

14. 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);

15. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

16. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

17. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

18. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

19. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

20. Anchor Investors should not bid through the ASBA process;

21. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

22. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not submit the GIR number instead of the PAN;

24. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

25. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

26. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

28. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

29. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

30. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism.

34. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see '***General Information – Book Running Lead Managers***' on page 69.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see '***General Information***' on page 67.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by Securities Exchange Board of India ("SEBI") from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIIs, NIIs 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 RII shall not be less than the minimum bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Investor shall not be less than the minimum application size for each category of Non-Institutional Investor, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the SEBI ICDR Regulations.

Payment into Anchor Investor Escrow Account

Our Company in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "IDEAFORGE TECHNOLOGY LTD–ANCHOR R A/C"

(b) In case of Non-Resident Anchor Investors: "IDEAFORGE TECHNOLOGY LTD–ANCHOR NR A/C"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of the Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language in the place where our Registered Office is located).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of the Financial Express, a widely circulated English national daily newspaper; ii) all editions of Jansatta, a Hindi national daily newspaper; and (iii) Mumbai edition of Navshakti, a widely circulated Marathi national daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered Office is located).

Signing of the Underwriting Agreement and Filing with the Registrar of Companies, Maharashtra at Mumbai ("RoC")

a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price but prior to the filing of the Prospectus.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of our Company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5.00 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company and/or the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with the Offer;
- Except for issuance of Equity Shares pursuant to exercise of options granted under the ESOP 2018, no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- the Offered Shares have been held by it for a minimum period of one year prior to the date of filing this Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations;
- the Offered Shares are within the thresholds prescribed under Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it;
- it is the legal and beneficial holder of and has full title to its respective portion of the Offered Shares, which have been acquired and is held by it in full compliance with applicable law;
- its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- it shall not 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 in the Offer, except for fees or commission for services rendered in relation to the Offer;

- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges and

- its respective portion of the Offered Shares are fully paid-up and are in dematerialized form.

Utilisation of Offer Proceeds

Our Board certifies that:

(i) all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;

(ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

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 of India 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 (formerly, Department of Industrial Policy and Promotion) ("**DPIIT**") issued the Consolidated FDI Policy Circular of 2020, ("**FDI Policy**") which, with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of the FDI Policy and FEMA Rules, a company seeking an industrial licence shall be permitted to have foreign direct investment up to 49% under the automatic route and above 49% under approval route on case to case basis, wherever it is likely to result in access to modern technology in India or for other reasons.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

For further details, see '***Offer Procedure***' on page 404.

The Equity Shares offered in the Offer 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 above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its liability to participate in the Issue and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company ("**Articles**"). The Articles consist of two parts, Part I and Part II. Upon the commencement of listing of the Equity Shares of our Company on any recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of our Company, Part II shall automatically stand deleted, not have any force and be deemed to be removed from the Articles and the provisions of Part I shall automatically come in effect and in force, without any further corporate or other action by our Company or its shareholders.*

PART I

APPLICABILITY OF TABLE F

The regulations contained in the Table marked 'F' in Schedule to the Companies Act, 2013, as amended from time to time, shall not apply to our Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

AUTHORISED CAPITAL

Article 1.1 provides that the authorised share capital of our Company shall be such amount, divided into such class(es), denomination(s) and number of shares in our Company as given in Clause V of the Memorandum of Association or as altered from time to time, payable in the manner as may be determined by the Board, with the power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub-divide or re-organize the shares and subject to the provisions of the Companies Act, 2013, 2013, to vary such rights as may be determined in accordance with the regulations of our Company.

ALLOTMENT OF SHARES

Article 1.3 provides that subject to the provisions of the Companies Act, 2013, and these Articles, the shares in the capital of our Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 and 54 of the Companies Act, 2013,) at a discount and at such time as they may from time to time think fit and with the sanction of our Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot shares in the capital of our Company on payment in full or part of any property sold and transferred or for any services rendered to our Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of our Company in the general meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Companies Act, 2013, as the case may be.

SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE

Article 11.1 provides that our Company may, by ordinary resolution, from time to time, subject to Section 61 of the Companies Act, 2013, alter the conditions of Memorandum of Association as follows:

(a) Increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution;

(b) Consolidate and divide all or any its share capital into shares of larger amount than its existing shares;

(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by Memorandum of Association, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. However, that in the sub – division in the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the share from which the reduced share is derived;

(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled; and

(e) Convert all or any one its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

ISSUE OF CERTIFICATES

Article 3.2 provides that every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class of denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may from time to time determine in accordance with the Companies Act, 2013,) to several certificates, each for one or more of such shares and our Company shall complete and keep ready for delivery such certificates unless prohibited by any provision of Applicable Law or any order of court, tribunal or other authority having jurisdiction, 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 of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of debenture, and as per Applicable Law. Every certificate of shares shall be under the Seal of our Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, our 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 vis-à-vis all such holders. Companies Act, 2013.

Article 3.3 provides that if any certificate of any shares or shares be surrendered to our Company for sub-division or consolidation or if any certificate be defaced, mutilated, torn or old, decrepit, worn- out or where the pages on the reverse for recording transfer have been duly utilized, or where there is no further space on the back thereof for endorsement of transfer then upon production and surrender thereof to our Company, the Board may order the same to be cancelled and may issue new certificate in lieu thereof and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of our Company and on such indemnity as our Company think adequate being given a new certificate in lieu thereof shall be given to a party entitled to the shares of such lost or destroyed certificate relates. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed the word ‘duplicate’ shall be stamped or punched in bold letters across the face thereof.

COMPANY’S LIEN ON SHARES/ DEBENTURES

Article 7.9 provides that our Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except on the footing and condition that this Article will have full effect.

TRANSFER AND TRANSMISSION OF SHARES

Article 8.1 provides that subject to the provisions of the Companies Act, 2013, and these Articles, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to our Company within a period of 60 days from the date of the execution together with the certificate or certificates of the shares or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.

Article 8.2 provides application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless our Company gives notice of the application to the transferee in the manner prescribed by the Companies Act, 2013, and subject to the provisions of Articles hereof, our Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

Article 8.5 provides that subject to the provisions of Sections 58 and 59 of the Companies Act, 2013, Section 22A of the Securities Contracts (Regulation) Act, 1956, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Companies Act, 2013, or any other Applicable Law for the time being in force as amended, the Board may, at their own absolute and uncontrolled discretion and by giving reasons may decline to register or acknowledge any transfer of refuse to register the transfer of, or the transmission by operation of Applicable Law of the right to, any securities or interest of a shareholder in our Company. Our 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 our 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. However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots. Further, registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to our Company on any account whatsoever.

Article 8.6 provides that no transfer shall be made to a minor or a person of unsound mind.

Article 8.7 provides that no fee shall be charged for registration for transfer, transmission, probate, succession certificate, letter of administration, certificate of death or marriage, power of attorney or similar other documents with our Company.

Article 8.8 provides that all instruments of transfer duly approved shall be retained by our Company and in case of refusal, instruments of transfer shall be returned to the person who lodged the transfer deeds.
Power to close transfer book & register

Article 8.9 provides that subject to the provisions of the Companies Act, 2013, the Register of Members may be closed for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days (or such lesser period as may be specified by Securities and Exchange Board of India for listed Companies or the Companies which intend to get their securities listed.

Article 8.10 provides that the executors or administrators or nominees or legal representatives or the holder of succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom our Company shall recognize as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint- holders of any registered shares the survivors shall be only persons recognized by our Company as having any title to or interest in such share 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.

Article 8.11 provides that any person becoming entitled to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title as the Board think sufficient, may with the consent of the Board (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares as the deceased or insolvent person could have transferred.

Article 8.12 provides that subject to any other provisions of these Articles if the Board in its sole direction is satisfied in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.

Article 8.13 provides that the instrument of transfer shall be in writing and all the provisions of Section 56 of the Companies Act, 2013, and of any statutory modification thereof for the time being and other applicable provisions of the Companies Act, 2013, shall be duly complied with in respect of all transfer of shares or debentures and the registration thereof. The instrument of transfer shall be in a common form.

GENERAL MEETINGS

A general meeting means any duly convened meeting of the Shareholders of our Company and any adjournments thereof. All general meetings of our Company other than the Annual General Meeting shall be called an extra ordinary general meeting.

Article 16.1 provides that the Board may, whenever they think fit, call an extra ordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of our Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. The Board of our Company shall on the requisition of such member or members of our Company as is specified in sub section (2) of Section 100 of the Companies Act, 2013, forthwith proceed to call an extra-ordinary general meeting of our Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 100 of the Companies Act, 2013, and of any statutory modification thereof for the time being shall apply.

Article 16.3 provides that the quorum for a general meeting shall be as provided in Section 103 of the Companies Act, 2013.

Article 16.4 provides that at every general meeting, the 'Chair' shall be taken by the Chairman of the Board. If at any meeting, the Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be Chairman or if no Directors shall be present or through present be unwilling to take the Chair then the members present shall choose one of their members being a member, entitled to vote, to be Chairman.

Article 16.5 provides that any act or resolution which, under the provisions of this Article or of the Companies Act, 2013, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Companies Act, 2013, or the Articles specifically require such act to be done or resolution passed as a special resolution.

Article 16.6 provides that subject to the provisions of the Companies Act, 2013, if within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if converted upon a resolution of the shareholders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.

Article 16.7 provides that the Chairman of a general meeting may, with the consent of any members of the meeting at which a quorum is present, and shall, if so directed by the meeting adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in Section 103 of the Companies Act, 2013, it shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

Article 16.8 provides that if a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which a poll has been demanded.

VOTE OF MEMBERS

Article 17 provides that subject to any rights or restrictions for the time being attached to any class or classes of shares: (a) On a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present either as a Proxy on behalf of a holder of equity shares or as a duly authorized representative of a body corporate being a holder of equity shares, if he is not entitled to vote in his own right, shall have one vote. (b) On a poll the voting rights of holder of equity shares shall be in proportion to his share in the paid-up equity share capital of our Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Companies Act, 2013, and shall vote only once. (c) No Company or body corporate shall vote by Proxy so long as a resolution of the Board under Section 113 of the Companies Act, 2013, is in force and the representative named in such resolution is present at the general meeting at which the vote by Proxy is tendered. (d) A person becoming entitled to a share shall not before being registered as member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to meeting of our Company.

Votes in respect of deceased, insolvent and insane members

If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by Proxy provided that at least 24 hours before the time of holding the meeting or adjourned meeting as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under this Articles unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Joint holders

Where there are joint holders of any share any one 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 and if more than one such joint-holders be present at any meeting either personally or Proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

DIRECTORS

Article 101 provides that the number of Directors shall not be less than three and not more than 15. The following are the first directors of our Company (a) Mr. Ankit Mehta; (b) Mr. Ashish Bhat and (c) Mr. Rahul Singh.

After the closing of the IPO (i.e., commencement of trading of the Equity Shares on the Stock Exchanges ("**Trading Date**")), subject to applicable Laws and the approval of the Shareholders by way of a special resolution in the first general meeting convened after the Trading Date, the Board shall include:

(A) Until such time that the Promoters collectively hold at least 15% (fifteen percent) of the share capital of our Company (on a fully diluted basis), the Promoters shall collectively have the right to nominate four directors on the Board, out of whom Ankit Mehta, Ashish Bhat and Rahul Singh, shall at all times, for as long as they are in the employment of our Company, continue to be directors on the Board of our Company;

(B) Until such time that the Promoters collectively hold at least 10% (ten percent) of the share capital of our Company (on a fully diluted basis), the Promoters shall collectively have the right to nominate three directors on the Board of our Company;

(C) Until such time that the Promoters collectively hold at least 5% (five percent) of the share capital of our Company (on a fully diluted basis), the Promoters shall collectively have the right to nominate two directors on the Board of our Company;

(D) Until such time that the Promoters collectively hold at least 2% (two percent) of the share capital of our Company (on a fully diluted basis), the Promoters shall collectively have the right to nominate one director on the Board of our Company;

(E) Until such time (a) B1 Investor holds at least 10% (ten percent) of the share capital of our Company (on a fully diluted basis); and (b) Celesta 1 and Celesta 2 (together) hold at least 10% (ten percent) of the share capital of our Company (on a fully diluted basis), they shall each have the right to nominate one nominee director to the Board of our Company. It is hereby clarified that if the shareholding of (1) B1 Investor or (2) Celesta 1 and Celesta 2, together, falls below the thresholds specified in this clause, their respective nomination rights will be extinguished forever.

RETIREMENT AND ROTATION OF DIRECTORS

Article 20 provides that not less than two-thirds of the total number of Directors (other than the Independent Directors) shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

At each annual general meeting of our Company, one - third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The Director to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the place of the retiring Directors not filled up, the meeting shall stand adjourned till the same day in the next week which is not a public holiday at the same time and place and if at the adjourned meeting, the place of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (it will to continue in office) be deemed to have been re-elected at the adjourned meeting, subject to the provisions of the Companies Act, 2013.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Article 21 provides that the Board of Directors may meet together for the dispatch of business, adjourn and regulate their meetings and proceedings as they think fit provided that meetings of the Board are held at least four times every year in such a manner that not more than 120 (One Hundred and Twenty) days shall intervene between two consecutive meetings of the Board. Notice in writing of every meeting to the Directors shall ordinarily be given by a Director or Company Secretary or such other officer of our Company duly authorized in this behalf to every Director for the time being in India in accordance with the provisions of the Companies Act, 2013. The quorum for a meeting of the board shall be one-third of its total strength or two Directors, whichever is higher, subject to Section 174 of Companies Act, 2013. If a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present, the Director(s) present shall adjourn the meeting to a specified date, time and place as specified in Section 174 of the Companies Act, 2013, or at such date, place and time as may be decided by the Chairman. A meeting of Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of our Company and the act for the time being vested in or exercisable by the Board generally. Subject to the provisions of the Companies Act, 2013, a Director may participate in any meeting of the Board by means of a telephone or video conference.

MANAGING AND WHOLE-TIME DIRECTORS

Article 23 provides that subject to the provision of the Companies Act, 2013, the Board may, from time to time, appoint one or more Directors to be managing director or managing directors of our Company and may, from time to time, (subject to the provisions of any contract between him or them and our Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Directors may elect one of themselves to the office of the Chairman of the Board and the same person may also be appointed / continue as Managing Director of our Company and in such situations, such person may be designated as the Chairman of our Company.

DIVIDEND

Article 26.3 provides that no larger dividend shall be declared than is recommended by the Board, but our Company in general meeting may declare a smaller dividend.

Article 26.12 provides that any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with the provisions of Applicable Law.

CAPITALISATION OF PROFITS

Article 15.2 provides that our Company in any general meeting may resolve that the whole or any part of the undivided profit of our Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized amount be applied on behalf of such members in paying up in full any un-issued shares of our Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued share and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized amount provided that any sum standing to the credit of a Securities Premium Account or a Capital Redemption Reserve Account may, for the purpose of this Article only be applied in the paying up of un-issued shares to be issued to members of our Company as fully-paid bonus shares.

WINDING UP

Distributions of Assets

Article 31.1 provides that subject to the provisions of Applicable Law, if the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid - up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid -up or which ought to have been paid- up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the member shall be more than sufficient to repay the whole of the capital paid -up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding- up, paid up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of assets in specie

Article 31.2 provides that in the event of the Company being wound up, whether voluntarily or otherwise, the liquidators, may with the sanction of special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustee upon such trusts for the benefit of the contributories or any of them, as the liquidators, with like sanction shall think fit.

PART II

Part II of the Articles provide for, among other things, the rights of certain shareholders pursuant to the Amendment Agreement. For more details on the Amendment Agreement, see '***History and Certain Corporate Matters – Summary of Key Agreements and Shareholders' Agreement*** on page 219.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus and filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office, from 10.00 am to 5.00 pm on all Working Days and will also be available on the website of our Company at https://ideaforgetech.com/investor-relations/material-contracts from the date of this Red Herring Prospectus until the Bid/Offer Closing Date, except for such contracts and documents that will be entered into or executed subsequent to the completion of the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Offer

1. Offer Agreement dated February 9, 2023 entered into amongst our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated February 9, 2023 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer.

3. Monitoring Agency Agreement dated June 12, 2023 entered into between our Company and the Monitoring Agency.

4. Escrow and Sponsor Bank Agreement dated June 16, 2023 entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Member, Banker(s) to the Offer and the Registrar to the Offer.

5. Share Escrow Agreement dated June 15, 2023 entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent.

6. Syndicate Agreement dated June 16, 2023 entered into amongst the Members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.

7. Underwriting Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated February 8, 2007, and a fresh certificate of incorporation dated January 2, 2023 upon conversion into a public company.

3. Resolution of our Board dated February 3, 2023, approving the Offer and other related matters.

4. Shareholders' resolution dated February 4, 2023, approving the Fresh Issue and other related matters.

5. Resolution of our Board dated February 9, 2023, and resolution of our IPO Committee dated February 10, 2023, approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

6. Resolution of our Board dated June 19, 2023 approving this Red Herring Prospectus for filling with the RoC, the SEBI and the Stock Exchanges.

7. Resolution of our Board dated February 9, 2023, taking on record the approval for the Offer for Sale by the Selling Shareholders.

8. The SHA and the Amendment Agreement dated February 4, 2023.

9. Agreement dated January 31, 2023 executed between Ankit Mehta, Rahul Singh, Ashish Bhat, Sujata Vemuri and Ravi Bhagavatula.

10. Letter of Appointment dated February 6, 2023 executed amongst our Company and Ankit Mehta.

11. Letter of Appointment dated February 6, 2023 executed amongst our Company and Rahul Singh.

12. Letter of Appointment dated February 6, 2023 executed amongst our Company and Ashish Bhat.

13. Resolution of our Board dated February 3, 2023 and the Shareholder's resolution dated February 4, 2023 in relation to terms of remuneration of our Whole-Time Directors.

14. Resolution of our Board dated February 3, 2023 in relation to terms of payment of sitting fees and commission to our Independent Directors.

15. Consent letters and authorisations from the Selling Shareholders consenting to participate in the Offer for Sale.

16. Copies of the annual reports of our Company for the Fiscals 2023, 2022 and 2021.

17. The examination report dated May 29, 2023 of the Statutory Auditors on our Restated Consolidated Financial Information.

18. The report dated June 19, 2023 on the 'Statement of possible special tax benefits' available to the Company and its shareholders under the applicable laws in India' from the Statutory Auditors.

19. Consent dated June 19, 2023 from B S R & Co, LLP, Chartered Accountants, Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under section 26 (5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 29, 2023 on our Restated Consolidated Financial Information; and (ii) their report dated June 19, 2023 on the statement of possible special tax benefits included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

20. Consent dated June 12, 2023, from Ramanand & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

21. Certificate dated June 12, 2023, from Ramanand & Associates, Chartered Accountants, certifying the KPIs of our Company.

22. Consent dated February 3, 2023, from A. D. Joshi Chartered Engineers and Valuers LLP, Independent Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an independent chartered engineer, in relation to the certificate dated June 12, 2023, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facility.

23. Consents of our Directors, Bankers to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, legal counsels, Monitoring Agency, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank(s), lenders to our Company, Company Secretary and Compliance Officer of our Company, as referred to act, in their respective capacities.

24. Consent letter dated June 9, 2023, from Praxian Global Private Limited to rely on and reproduce part or whole of the 1Lattice Report and include their name in this Red Herring Prospectus.

25. Industry report titled "*Drone Industry Report*" released on June 9, 2023, prepared and issued by Praxian, commissioned and paid for by our Company and engagement letter dated October 6, 2022, among our

Company and Praxian. The Drone Industry Report will be available at the website of our Company at https://ideaforgetech.com/investor-relations/industry-report.

26. Industrial license number DIL: 24(2015) issued to our Company under the provisions of the Industries (Development and Regulation) Act, 1951 as amended.

27. In-principle listing approvals dated March 27, 2023 and March 24, 2023 from the BSE and the NSE, respectively.

28. Tripartite Agreement dated December 1, 2022 amongst our Company, NSDL and the Registrar to the Offer.

29. Tripartite Agreement dated November 25, 2022 amongst our Company, CDSL and the Registrar to the Offer.

30. Due diligence certificate to SEBI from the BRLMs, dated February 10, 2023.

31. SEBI e-mail dated February 20, 2023.

32. SEBI interim observation letter dated March 3, 2023.

33. SEBI e-mail dated March 20, 2023.

34. SEBI final observation letter number SEBI/HO/CFD/RAC-DIL2/P/OW/2023/14898/1 dated April 13, 2023.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Srikanth Velamakanni

Designation: Chairman and Independent Director
Date: June 19, 2023
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ankit Mehta

Designation: Chief Executive Officer and Whole-Time Director
Date: June 19, 2023
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rahul Singh

Designation: Vice President-Engineering and Whole-Time Director
Date: June 19, 2023
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashish Bhat

Designation: Vice President-Research and Development and Whole-Time Director
Date: June 19, 2023
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ganapathy Subramaniam

Designation: Non-Executive Nominee Director
Date: June 19, 2023
Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mathew Cyriac

Designation: Non-Executive Nominee Director
Date: June 19, 2023
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sutapa Banerjee

Designation: Independent Director
Date: June 19, 2023
Place: Vietnam

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vikas Balia

Designation: Independent Director
Date: June 19, 2023
Place: Budapest

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Vipul Joshi

Designation: Chief Financial Officer
Date: June 19, 2023
Place: Mumbai

DECLARATION

I, Ashish Bhat, the Promoter Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about and in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Ashish Bhat

Date: June 19, 2023
Place: Mumbai

DECLARATION

I, Nambirajan Seshadri, the Individual Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about and in relation to myself, as an Individual Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Nambirajan Seshadri

Date: June 19, 2023
Place: Mumbai

DECLARATION

I, Sujata Vemuri, the Individual Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about and in relation to myself, as an Individual Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Sujata Vemuri

Date: June 19, 2023
Place: Vashi

DECLARATION

I, Sundararajan K Pandalgudi, the Individual Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about and in relation to myself, as an Individual Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Sundararajan K Pandalgudi

Date: June 19, 2023
Place: Bangalore

DECLARATION

I, Amarpreet Singh, the Individual Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about and in relation to myself, as an Individual Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Amarpreet Singh

Date: June 19, 2023
Place: Mumbai

DECLARATION

I, Naresh Malhotra, the Individual Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about and in relation to myself, as an Individual Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Naresh Malhotra

Date: June 19, 2023
Place: Mumbai

DECLARATION

We, Indusage Technology Venture Fund I, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Indusage Technology Venture Fund I assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Indusage Technology Venture Fund I

Name: P Sudhir Rao
Designation: Authorised Signatory
Date: June 19, 2023
Place: Bangalore

DECLARATION

We, Qualcomm Asia Pacific Pte. Ltd., the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Qualcomm Asia Pacific Pte. Ltd. assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Qualcomm Asia Pacific Pte. Ltd.

Name: Shannon Gallagher-Bolton
Designation: Authorised Signatory
Date: June 19, 2023
Place: San Diego, CA, USA

DECLARATION

We, Celesta Capital II Mauritius, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Celesta Capital II Mauritius assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Celesta Capital II Mauritius (*formerly known as WRV II Mauritius*)

Name: Matthew Marsh
Designation: Director
Date: June 19, 2023
Place: California, USA

DECLARATION

We, Celesta Capital II-B Mauritius, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Celesta Capital II-B Mauritius assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Celesta Capital II-B Mauritius (*formerly known as WRV II-B Mauritius*)

Name: Matthew Marsh
Designation: Director
Date: June 19, 2023
Place: California, USA

DECLARATION

We, Export Import Bank of India, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Export Import Bank of India assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Export Import Bank of India

Name: Mitali Pendharkar
Designation: Assistant General Manager
Date: June 19, 2023
Place: Mumbai

DECLARATION

We, Agarwal Trademart Private Limited, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Agarwal Trademart Private Limited assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Agarwal Trademart Private Limited

Name: A R Gokuldas
Designation: Authorised Signatory
Date: June 19, 2023
Place: Mumbai

DECLARATION

We, Society for Innovation and Entrepreneurship, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. Society for Innovation and Entrepreneurship assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

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Signed for and on behalf of Society for Innovation and Entrepreneurship

Name: Mr. Prasad Shetty
Designation: Vice President – Portfolio & Operations
Date: June 19, 2023
Place: Mumbai

DECLARATION

We, A&E Investment LLC, the Corporate Selling Shareholder, hereby confirm that all statements specifically made by us in this Red Herring Prospectus in relation to us, as a Corporate Selling Shareholder and our portion of the Offered Shares, are true and correct. A&E Investment LLC assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

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Signed for and on behalf of A&E Investment LLC

Name: Lip-Bu Tan
Designation: Manager
Date: June 19, 2023
Place: California, USA