DRAFT RED HERRING PROSPECTUS
Dated: January 9, 2023
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

(Please scan this QR Code to view this Draft Red Herring Prospectus)

CYIENT DLM LIMITED

Corporate Identity Number: U31909TG1993PLC141346

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
3rd Floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India	347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India	Parvati K R *Company Secretary and Compliance Officer*	**Email:** company.secretary@cyientdlm.com **Telephone**: +91 821 4000 500	www.cyientdlm.com

CYIENT LIMITED IS THE PROMOTER OF OUR COMPANY

DETAILS OF ISSUE

TYPE	FRESH ISSUE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY AND RESERVATIONS
Fresh Issue	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 7,400.00 million.	Not applicable.	Up to ₹ 7,400.00 million.	The Issue is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Issue*" on page 303. For details in relation to share reservation among QIBs, Non-Institutional Bidders, Retail Individual Bidders, Eligible Employees and Eligible Cyient Shareholders, see "*Issue Structure*" on page 320.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price*" on page 93 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 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 Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this DRHP contains all information with regard to the Company and the Issue which is material in the context of the Issue, that the information contained in this DRHP 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

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

BOOK RUNNING LEAD MANAGERS

NAME OF BRLMS AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE

DRAFT RED HERRING PROSPECTUS
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Axis Capital Limited	Pavan Naik / Jigar Jain	**E-mail:** cyient.ipo@axiscap.in **Tel:** +91 22 4325 2183
JM Financial Limited	Prachee Dhuri	**E-mail:** cyient.ipo@jmfl.com **Tel:** + 91 22 6630 3030
NAME OF THE REGISTRAR	**CONTACT PERSON**	**E-MAIL AND TELEPHONE**
KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)	M. Murali Krishna	**E-mail:** cyientdlm.ipo@kfintech.com **Tel:** +91 40 6716 2222

BID/ISSUE PERIOD					
ANCHOR INVESTOR BIDDING DATE	[●]	**BID/ISSUE OPENS ON***	[●]	**BID/ISSUE CLOSES ON****	[●]

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

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

DRAFT RED HERRING PROSPECTUS
Dated: January 9, 2023
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

CYIENT DLM LIMITED

Our Company was originally incorporated as '*Rangsons Electronics Private Limited*' at Mysuru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 30, 1993 issued by the Registrar of Companies, Karnataka at Bengaluru. The name of our Company was changed to '*Cyient DLM Private Limited*' pursuant to a special resolution passed by our Shareholders on December 22, 2016 and a fresh certificate of incorporation pursuant to a change of name dated January 18, 2017 was issued by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, pursuant to a change in our registered office by way of a resolution passed by our Shareholders on August 1, 2019, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Telangana at Hyderabad ("**RoC**") on July 3, 2020. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on November 25, 2022, and the name of our Company was changed to '*Cyient DLM Limited*'. A fresh certificate of incorporation dated December 13, 2022 consequent upon change of name on conversion to a public limited company was issued by the RoC. For further details on the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 179.

Registered Office: 3rd Floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India;
Corporate Office: 347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India;
Tel: +91 821 4000 500 **Website**: www.cyientdlm.com;
Contact Person: Parvati K R, Company Secretary and Compliance Officer; **E-mail**: company.secretary@cyientdlm.com
Corporate Identity Number: U31909TG1993PLC141346

CYIENT LIMITED IS THE PROMOTER OF OUR COMPANY

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF CYIENT DLM LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹7,400.00 MILLION (THE "ISSUE"). OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES, INCLUDING BY WAY OF A PRIVATE PLACEMENT, RIGHTS ISSUE, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 1,480 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE ISSUE CONSTITUTING AT LEAST [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE CYIENT SHAREHOLDERS ("SHAREHOLDER RESERVATION PORTION"). OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [●]% OF THE ISSUE PRICE TO ELIGIBLE EMPLOYEE(S) BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND A DISCOUNT OF UP TO [●]% OF THE ISSUE PRICE TO ELIGIBLE CYIENT SHAREHOLDERS BIDDING IN THE SHAREHOLDER RESERVATION PORTION ("SHAREHOLDER DISCOUNT"), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION AND THE SHAREHOLDER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

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

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Issue is in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion the "**QIB Portion**") provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders ("**RIB**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. 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 Issue Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders) (*as defined hereinafter*), in which case the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Issue through the ASBA process. For details, see "*Issue Procedure*" on page 324.

RISKS IN RELATION TO THE FIRST ISSUE

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. The Floor Price, Cap Price and Issue Price as determined and justified by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations as stated under "*Basis for Issue Price*" on page 93 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares 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 Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on Stock Exchanges. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 348.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Axis Capital Limited 1st Floor, C-2, Axis House Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** cyient.ipo@axiscap.in **Investor grievance e-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Pavan Naik / Jigar Jain **SEBI registration no.:** INM000012029	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** cyient.ipo@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration No.:** INM000010361	**KFin Technologies Limited** (*formerly known as KFin Technologies Private Limited*) Selenium, Tower B, Plot No. 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India **Tel**: +91 40 6716 2222 / 18003094001 **E-mail:** cyientdlm.ipo@kfintech.com **Website:** www.kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com **Contact person:** M Murali Krishna **SEBI Registration Number:** INR000000221

BID/ISSUE SCHEDULE

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

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

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Restated Summary Statement", "Basis for Issue Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 107, 171, 101, 210, 93, 179, 290, 303, 292 and 344 respectively shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Cyient DLM Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 3rd Floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Articles of Association/AoA	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 184
"Board"/ "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof
"Chief Executive Officer"/ "CEO"	Anthony Montalbano, the chief executive officer of our Company
"Chief Financial Officer"/ "CFO"	Shrinivas Appaji Kulkarni, the chief financial officer of our Company
"Chief Operating Officer"/ "COO"	Ram Dornala, the chief operating officer of our Company
Class Equity Shares	Class equity shares of face value of ₹ 100
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Parvati K R, Company Secretary and Compliance Officer of our Company
Corporate Office	The corporate office of our Company situated at 347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Company constituted in accordance with the applicable provisions of the Companies Act and as described in "*Our Management*" on page 184
Director(s)	The directors on the Board of our Company
DLM Services Agreement	Master Services Agreement dated December 13, 2022 executed by and between our Company and our Promoter, for the provision of services by our Company to our Promoter
Equity Shares	Equity shares of our Company of face value of ₹10 each
Executive Director(s)	Executive directors of our Company. For details, see "*Our Management*" on page 184
ESOP 2022	Cyient DLM Employee Stock Option Plan 2022
Frost & Sullivan	Frost & Sullivan (India) Private Limited
Frost & Sullivan Report	Report titled "Market Assessment for India EMS Industry" dated January 7, 2023 prepared and issued by Frost & Sullivan and commissioned by our Company for the purposes of this Issue for an agreed fee
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see "*Our Group Companies*" on page 206.
Independent Directors	The independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 184
Investment Agreement	Investment agreement dated January 2, 2015 entered into amongst our Promoter, G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company, as amended by letter agreement dated January 21, 2019 entered into amongst our Promoter,

Term	Description
	G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company
IPO Committee	The IPO Committee of our Company as described in "*Our Management*" on page 184
"Key Managerial Personnel" / "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "*Our Management*" on page 184
"Memorandum of Association" / "MoA"	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 184
Non-Executive Director(s)	Non-executive director(s) of our Company. For further details of our Non-executive Directors, see "*Our Management*" on page 184
Preference Shares	10% redeemable preference shares of face value of ₹ 1,000 each
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter and Promoter Group*" on page 201
Promoter	Promoter of our Company, namely, Cyient Limited
Promoter Services Agreement	Master Services Agreement dated December 13, 2022 executed by and between our Promoter and our Company, for provision of services by our Promoter to our Company
Registered Office	3rd Floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India
"Registrar of Companies" / "RoC"	Registrar of Companies, Telangana at Hyderabad
Restated Summary Statement	Restated summary statement of our Company as at and for the six months period ended September 30, 2022, and as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, comprising the restated statement of assets and liabilities of the Company as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated statement of profit and loss (including other comprehensive income) and the restated statement of cash flows and restated changes in equity for the six months period ended September 30, 2022, and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of notes and other explanatory information, derived from the audited financial statements (i) as at and for the six months period ended September 30, 2022 prepared in accordance with Ind AS 34; (ii) as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended), the SEBI ICDR Regulations (as amended) and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI
Risk Management Committee	Risk management committee of our Board, as described in "*Our Management*" on page 184
Shareholders	Shareholders of our Company from time to time
SPA	Share purchase agreement dated January 22, 2019 entered into amongst our Promoter, Sudheendhra Putty, G Pavan Ranga, Anirudh Ranga M, Arjun M Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company
Shareholders/Investor Grievances Committee	Shareholders/Investor Grievances Committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 184
"Statutory Auditors" / "Auditors"	Current statutory auditors of our Company, namely S. R. Batliboi & Associates LLP
Trademark License Agreement	Trade-Name License Agreement dated December 13, 2022 executed between our Company and our Promoter

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the 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 Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Bank(s), Refund Bank(s) and Sponsor Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" on page 324
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. 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 the Employee Discount), multiplied by the number of Equity Shares Bid for 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 the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Eligible Cyient Shareholders applying in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) can apply at the Cut-off Price and the Bid amount shall be Cap Price (net of the Shareholder Discount) multiplied by the number of Equity Shares Bid for by such Eligible Cyient Shareholder and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●], an English daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of the [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation. Our Company, in consultation with the Book Running Lead Managers may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Issue Closing Date shall also be

Term	Description
	notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to 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 [●], an English national daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of the [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Issue, namely, Axis and JM Financial
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker and in case of RIBs only ASBA Forms with UPI. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	Higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered into amongst our Company, the BRLMs, the Registrar to the Issue and the Bankers to the Issue for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Issue Account and where applicable, remitting refunds (if any) on the terms and conditions thereof and the appointment of Sponsor Bank in accordance with the UPI Circulars
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Cut-off Price	Issue Price, finalised by our Company in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion and Eligible Cyient Shareholders Biddings in the Shareholder Reservation Portion (subject to the Bid Amount being ₹200,000) are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors), Non-Institutional Bidders and Eligible Cyient Shareholders submitting Bid Amount of more than ₹200,000 under the Shareholder Reservation Portion are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms and in case of RIBs only ASBA Forms with UPI. 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 websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Issue Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Issue
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) 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

Term	Description
	Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders 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 and in case of UPI Bidders only ASBA Forms with UPI. 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), as updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated January 9, 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 Issue, including any addenda or corrigenda thereto
Eligible Cyient Shareholders	Individuals and HUFs who are the public equity shareholders of our Promoter (excluding such persons who are not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as on the date of the filing of the Red Herring Prospectus. The maximum Bid Amount under the Shareholder Reservation Portion by an Eligible Cyient Shareholder shall not exceed the ₹200,000 (net of the Shareholder Discount)
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Issue under applicable laws), of our Company or our Promoter; or a Director of our Company, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoter; (ii) persons belonging to the Promoter Group; or (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 the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Employee Discount	Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date
Employee Reservation Portion	The portion of the Issue being up to [●] Equity Shares aggregating ₹ [●] million which shall not exceed [●]% of the post-Issue Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Collection Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Escrow Account will be opened, in this case being [●]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 7,400.00 million by our Company. Our Company may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 1,480 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers. If the Pre-IPO Placement is undertaken, the minimum Issue size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least [●]% of the post-Issue paid-up Equity Share capital of our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and suitably modified

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	and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 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
Materiality Policy	The policy adopted by our Board of Director at their meeting dated January 5, 2023 for identification of material outstanding litigation and for outstanding dues to material creditors of our Company in accordance with the disclosure requirements under the SEBI ICDR Regulations for the purpose of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Issue Price
Net Issue	The Issue, less the Employee Reservation Portion and the Shareholder Reservation Portion
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 79
Net QIB Portion	The QIB Portion less the number of Equity Shares allotted to the Anchor Investors
Non-Institutional Bidder(s) or NIB(s)	All Bidders that are not QIBs, RIBs or Eligible Employees and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Issue being not more 15% of the Net Issue which shall be available for allocation to Non-Institutional Bidders of which (a) one third portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of the portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion is either of such sub-categories may be allocated to Bidders in other sub-category of the Non-Institutional Bidders or any other manner as introduced in accordance with applicable laws, to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs and FPIs
NPCI	National Payments Corporation of India
Issue	The initial public offer of up to Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, comprising of comprising the Net Issue, Employee Reservation Portion and the Shareholder Reservation Portion.
Issue Agreement	The issue agreement dated January 9, 2023 entered into amongst our Company and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	Final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of this Draft Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Managers on the Pricing Date. A discount of (a) up to [●]% on the Issue Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employee(s) Bidding in the Employee Reservation Portion, and (b) up to [●]% on the Issue Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion, subject to necessary approvals as may be required. The Employee Discount and Shareholder Discount, if any, will be decided by our Company, in consultation with the BRLMs
Issue Proceeds	The proceeds of the Issue which shall be available to our Company
JM Financial	JM Financial Limited
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including by way of a private placement, rights issue, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 1,480 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in all editions of [●], the English national daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company in consultation with the BRLMs, will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined

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	at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account to be opened under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account will be opened, in this case being [●]
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or the Anchor Investor Issue Price, as applicable
Qualified Institutional Buyer(s) or QIB(s) or QIB Bidder(s)	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated January 9, 2023 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE
Registrar to the Issue/Registrar	KFin Technologies Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Issue being not more than 10% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs, Eligible Employees Bidding in the Employee Reservation Portion and and Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services, (i) in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Shareholder Discount	Our Company in consultation with the BRLMs, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date
Shareholder Reservation Portion	The portion of the Issue being up to [●] Equity Shares, aggregating up to ₹[●] million available for allocation to Eligible Cyient Shareholders, on a proportionate basis. Such portion shall not exceed 10.00% of the Issue size
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI
Sponsor Bank(s)	[●], to be appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Book Running Lead Managers, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]

Term	Description
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	Collectively, individual investors applying as (i) RIBs in the Retail Portion, (ii) Eligible Employees in Employee Reservation Portion, (iii) Eligible Cyient Shareholders in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹500,000) and (iv) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and RTAs. 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 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI 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 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular number 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 the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The mechanism that shall be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate a UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid /Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical, Industry related terms or Abbreviations

Term	Description
AR	Augmented Reality
B2P	Build to Print
B2S	Build to Specification
BGA	Ball Grid Array
CCA	Circuit card assembly
CPU	Central Processing Unit
DLM	Design Led Manufacturing
EMS	Electronics Manufacturing Services

Term	Description
EOHS	Environment, Occupational Health and Safety
ERP	Enterprise resource planning
ESG	Environmental, social and governance
ESS	Environmental Stress Screening
FMEA	Failure mode effects analysis
FPT	Flying probe test
HALT	Highly accelerated life testing
HASS	Highly accelerated stress screening
I/O	Input/Output
ICT	In-circuit test
IoT	Internet of Things
LRU	Line replaceable units
MCB	Manual control board
MR	Magnetic Resonance
NADCAP	National Aerospace and Defense Contractors Accreditation Program
NPI	New Product Introduction
OEM	Original Equipment Manufacturer
OSAT	Outsourced semiconductor assembly and test
OSHA	Occupational Safety and Health Administration
PCB	Printed Circuit Board
PCBA	Printed Circuit Board Assembly
PCR	Position and Connectivity-Based Routing
PLC	Programmable Logic Control
PTH	Printed Through Hole
RF	Radio Frequency
RoHS	Restriction of Hazardous Substances
SMT	Surface Mount Technology
UI	User Interface
UX	User Experience
VR	Virtual Reality
XRF	X-Ray Fluorescence

Conventional and General Terms or Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
Asset Turnover Ratio	Asset turnover is calculated as revenue from operations divided by average total assets
Break-up of industry-wise revenue from operations	This showcases our Company's revenue distribution among the industries of Aerospace, Defence, Medical Technology, Industrial, and Others.
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Customer concentration (Top 5) %	Customer concentration (Top 5) % indicates total revenue from top five customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period
Customer concentration (Top 10) %	Customer concentration (Top 10) % indicates total revenue from top ten customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period
Customer advance days	Customer advance days is calculated as customer advances/ revenue from operations multiplied by number of days for the year/ period
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
Days sales outstanding (DSO)	Days sales outstanding is calculated as trade receivables / revenue from operations multiplied by number of days for the year / period

Term	Description
Days payables outstanding	Days payables outstanding is calculated as trade payables/ revenue from operations multiplied by number of days for the year / period
Days of inventory outstanding	Days of inventory outstanding is calculated as inventory/revenue from operations multiplied by number of days for the year / period
DP ID	Depository Participant's Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBIT	EBIT is calculated as EBITDA minus depreciation and amortisation expense
EBIT Margin	EBIT margin is calculated as EBIT as a percentage of revenue from operations
EBITDA	EBITDA is calculated as profit/(loss) before tax minus other income plus finance costs, and depreciation and amortisation expense
EBITDA Margin	EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations
EGM	Extraordinary General Meeting
EPS	Earnings per Share
Export revenue	Export revenue (in ₹ million) indicates the revenue generated from sales of goods and rendering of services to customers located outside India.
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
"FEMA Non-debt Instruments Rules" / "FEMA NDI Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
"Financial Year" / "Fiscal" / "Fiscal Year" / "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
Free Cash Flow	Free cash flow is calculated as net cash flow from operating activities less payment towards purchase of property, plant and equipment and intangibles, net of proceeds from sale of property, plant and equipment and intangible assets
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
"GoI" / "Government" / "Central Government"	Government of India
Gross Profit	Gross profit is calculated as Revenue from operations minus cost of materials consumed, changes in inventories of finished goods and work-in-progress, and Other direct costs.
Gross Profit Margin	Gross profit margin is calculated as gross profit as a percentage of revenue from operations.
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
IFSC	Indian Financial System Code
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015
"Ind AS" / "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, (as amended) and other relevant provisions of the Companies Act, 2013
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income-tax Act, 1961
KYC	Know your customer
MCA	Ministry of Corporate Affairs
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NACH	National Automated Clearing House
"NAV" / "Net Asset Value"	Net asset value
NEFT	National Electronic Funds Transfer

Term	Description
Net Worth	Aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from the Restated Summary Statement, but does not include reserves created out of revaluation of assets and write- back of depreciation
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Number of customers	Number of customers indicate the count of customers who contributed to revenue from operations for year / period
Numbers of new customers	Number of new customers acquired indicates the count of new customers generating revenue for the first time in the respective year/period
"OCB" / "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
Order book	Order book indicates the executable work orders from our customers as the end of the year / period.
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PAN	Permanent Account Number
PAT	Profit after tax
Profit/ (loss) before tax	Profit/(loss) before tax is calculated as total income minus total expenses of our company for the year/period
Profit/(loss) for the year/period	Profit/(loss) for the year/period is calculated as profit/(loss) before tax minus tax expense for the year/period
Profit/(loss) margin	Profit/(loss) margin is calculated as profit/(loss) after tax as a percentage of revenue from operations.
"RoNW" / "Return on Net Worth"	Restated profit for the year/period attributable to equity shareholders of our Company divided by net worth of our Company as at the end of the year/period
Return on Capital Employed (ROCE)	Return on Capital Employed (ROCE) is calculated as (EBIT plus other income) divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current} and lease liabilities {current & non-current}
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Revenue from operations	Revenue from operations is total revenue generated by our company from the sale of goods and rendering of services.
Revenue growth	Revenue growth represents the growth in revenue from operations for the year / period of our company.
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Term	Description
TAN	Tax deduction account number
Total Cash	Total cash is calculated as cash and cash equivalents plus other bank balances as at the end of year/period
Repeat Customers	Repeat customers indicate the customers who were contributing to revenue from operations in the previous year are continuing to contribute to revenue from operations in the current year / period.
"U.S.A", "U.S.", "US" or "United States of America"	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. SEC	Securities and Exchange Commission of the United States of America
U.S. Securities Act	United States Securities Act of 1933
USD or US$	United States Dollars
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "U.S.", "USA" or "United States" are to the United States of America. All references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to "Europe" or the "EU" are to the European Union. All references to "Singapore" are to the Republic of Singapore. All references to "Israel" are to the State of Israel. All references to "South Korea" are to the Republic of South Korea. All references to "France" are to the French Republic. All references to "Germany" are to the Federal Republic of Germany. All references to "Cananda" are to the Dominion of Canada. All references to "China" are to the People's Republic of China. All references to "HK" or "Hong Kong" are to the Hong Kong Special Administrative Region of the People's Republic of China. All references to "UK" or "United Kingdom" are to the United Kingdom of Great Britan and Northern Island. All references to "Taiwan" are to the Republic of China.

In this Draft Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus have been derived from our Restated Summary Statement. For further information, see "*Restated Summary Statement*" on page 210.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The Restated Summary Statement of our Company as at and for the six months period ended September 30, 2022, and as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, comprising the restated statement of assets and liabilities of the Company as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated statement of profit and loss (including other comprehensive income) and the restated statement of cash flows and restated changes in equity for the six months period ended September 30, 2022, and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of notes and other explanatory information, derived from the audited financial statements (i) as at and for the six months period ended September 30, 2022 prepared in accordance with Ind AS 34; (ii) as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended), the SEBI ICDR Regulations (as amended) and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.

The financial information for the six months period ended September 30, 2022 may not be indicative of the financial results for the full year and are not comparable with the financial information for the financial years ended March 31, 2022, March 31, 2021, and March 31, 2020.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting 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 Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our business, results of operations, financial condition and cash flows.*" on page 48.

Unless the context otherwise requires or indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Summary Statement.

Non-GAAP Financial Measures

Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance such as Gross Profit, Gross Profit Margin, EBIT, EBIT Margin, EBITDA, EBITDA Margin, Profit/(loss) margin, Days sales outstanding (DSO), Asset Turnover Ratio, Return on Net Worth (%), Net Asset Value per Share, Interest Coverage Ratio, Receivable Turnover Ratio, Debt Service Coverage Ratio, Current Ratio, Total Cash, Net Working Capital and Return on Capital Employed and others ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS 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. In addition, Gross Profit, Gross Profit Margin, EBIT, EBIT Margin, EBITDA, EBITDA Margin, Profit/(loss) margin, Days sales outstanding (DSO), Asset Turnover Ratio, Return on Net Worth (%), Net Asset Value per Share, Interest Coverage Ratio, Receivable Turnover Ratio, Debt Service Coverage Ratio, Current Ratio, Total Cash, Net Working Capital and Return on Capital Employed, are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further details, please see "*Risk Factors – Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These Non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.*" on page 46.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.
- "EUR" or "€" or "Euro" are to the Euro, the official currency of the European Union.
- "JPY" or "¥" are to the Japanese Yen, the official currency of Japan.
- "AUD" or "A$" are to the Australian Dollar, the official currency of the Commonwealth of Australia.
- "SGD" are to the Singapore Dollar, the official currency of the Republic of Singapore.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All per share and percentage figures have been rounded off to one/ two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

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

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

Currency	Exchange rate as at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.38	75.90	73.17	75.37
1 JPY	0.56	0.62	0.66	0.70
1 EUR	79.65	84.21	85.92	83.08
1 SGD	56.72	56.06	54.43	53.01

Currency	Exchange rate as at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 AUD	52.38	56.91	55.70	46.27
1 GBP	90.58	99.83	100.96	93.87

Source: www.x-rates.com

** In case March 31 of any of the respective years/ period is a public holiday, the previous working day not being a public holiday has been considered.*

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various industry publications and sources and the report titled "*Market Assessment for India EMS Industry*" dated January 7, 2023 by Frost & Sullivan (the "**Frost & Sullivan Report**"),which have been paid for and commissioned by our Company for an agreed fee. Frost & Sullivan has been exclusively commissioned by our Company for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Issue. The Frost & Sullivan Report will be made available on the website of our Company at www.cyientdlm.com/investors from the date of the Red Herring Prospectus till the Bid/Issue Closing Date.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

Disclaimer of Frost & Sullivan

This Draft Red Herring Prospectus contains data and statistics from the Frost & Sullivan Report, which is subject to the following disclaimer:

"*Market Assessment for India EMS Industry" has been prepared for the proposed initial public offering of equity shares by Cyient DLM Limited (the "Company").*

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

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

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

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

Neither we nor any of our Directors and BRLMs are related parties of Frost & Sullivan.

Excerpts of the Frost & Sullivan Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information or data from the Frost & Sullivan Report which would be relevant for the Issue that have been left out or changed in any manner by our Company for the purposes of this Draft Red Herring Prospectus. 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, on account of there being no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 25. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the "*Basis for Issue Price*" section on page 93 includes information relating to our peer group companies.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements".

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

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

- The loss of any of our key customers or loss of revenue from sales to our customers;
- Failure to realise all of the future revenue indicated by our order book;
- Dependence on our Promoter, our management and key personnel and the loss of any key team member;
- Failure on the part of our suppliers to perform, or be able to perform their conditions, any delay, shortage, interruption, reduction in the supply of or volatility in the prices of our raw materials;
- Failure to compete effectively in the highly competitive EMS industry;
- Rapidly changing preferences of our customers or other related factors, including lower manufacturing costs;
- Decline in the value of investments made by our Company;
- Problems in the products we design through the design team of our Promoter, manufacture or service;
- Exposure to numerous risks due to global nature of our operations;
- Defaults or delays in payment by a significant portion of our customers.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 107, 151 and 266, respectively of this Draft Red Herring Prospectus has been obtained from the Frost & Sullivan Report.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 151 and 266, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Our Promoter, Cyient Limited, being listed on NSE and BSE, declares, and will be required to declare its quarterly unaudited and annually audited consolidated results in accordance with Regulation 33 of the SEBI Listing Regulations, which may include audited financial information about us. Accordingly, for any investment decision in the Issue, you should solely rely on the information in this Draft Red Herring Prospectus.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable,

any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLMs will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue and is neither exhaustive, nor does it purport to contain a summary of the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "*Risk Factors*", "*Objects of the Issue*", "*Our Business*", "*Capital Structure*", "*Issue Procedure*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 25, 79, 151, 69, 324 and 344 respectively.

Summary of primary business of our Company

We are a leading integrated EMS and solutions provider (*Source: Frost & Sullivan Report*) with a strong focus on the entire life cycle of a product, including design, build and maintain. With over two decades of experience, we are a qualified supplier to global OEMs in the aerospace and defence, medical technology and industrial sectors. We are one of the few EMS companies in India catering to highly regulated industries and the largest supplier of EMS services to the aerospace and defence industry by value in India (*Source: Frost & Sullivan Report*).

Summary of the industry in which our Company operates

The India EMS is a sizeable industry, contributing to 2.2% (USD 20 billion) of the global EMS market in CY2022. India's EMS industry is the fastest growing among all countries at a CAGR of 32.3% and is expected to contribute 7.0% (USD 80 billion) of the global EMS market in CY2026. The expansion of India's EMS industry is being fuelled by a variety of factors. Significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure.

Name of Promoter

Cyient Limited. For details, see "*Our Promoter and Promoter Group*" on page 201.

Issue Size

Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 7,400.00 million by our Company.

Our Company, in consultation with the BRLMs, may consider the Pre-IPO Placement aggregating up ₹ 1,480 million. If the Pre-IPO Placement is undertaken, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●] % of the post-Issue paid-up Equity Share capital of our Company.

The Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹ [●] million (constituting up to [●]% of the post-Issue paid-up Equity share capital), for subscription by Eligible Employees ("**Employee Reservation Portion**").

The Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹ [●] million (constituting up to [●]% of the post-Issue paid-up Equity share capital), for subscription by Eligible Cyient Shareholders ("**Shareholder Reservation Portion**").

The Issue and Net Issue shall constitute [●]% and [●]% of the post-Issue paid up Equity Share capital of our Company, respectively.

For further details, see "*The Issue*" on page 55.

Objects of the Issue

The objects for which the Net Proceeds shall be utilised are as follows:

Particulars	Amount (in ₹ million)
Funding incremental working capital requirements of our Company	2,910.90
Funding capital expenditure of our Company	435.72
Repayment/prepayment, in part or full, of certain of our borrowings	1,541.32
Achieving inorganic growth through acquisitions	740.00
General corporate purposes	[●][(1)(2)]
Total	[●][(2)]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under rule 19(2)(b) of the SCRR.*

(2) *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes and achieving inorganic growth through acquisitions and shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Issue*" on page 79.

Aggregate pre-Issue shareholding of our Promoter and Promoter Group as percentage of our paid-up Equity Share capital

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

Name of shareholder	Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)
Promoter		
Cyient Limited[*]	52,866,000	100.00

	Total	**52,866,000**	**100.00**

* *Including 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

Summary of Selected Financial Information

The following details are derived from the Restated Summary Statement:

(in ₹ million other than per share data)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020
Equity share capital	29.37	13.67	13.67	13.67
Net Worth	1,793.22	771.12	376.52	257.06
Revenue from operations	3,402.7	7,205.33	6,280.28	4,570.87
Profit/(loss) for the year/period	134.22	397.95	118.14	(67.04)
Earnings per equity share				
- Basic (in ₹)[#]	4.61*	16.17	4.80	(2.72)
- Diluted (in ₹)[#]	4.61*	16.17	4.80	(2.72)
NAV per Equity Share (basic) (in ₹)[#]	61.66	31.34	15.30	10.45
Total Borrowings	3,081.50	2,931.93	2,337.65	2,613.71

Notes:

The ratios have been computed as under:

1. *Net worth is the aggregate value of the paid-up equity 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.*
2. *Earnings Per Equity Share (Basic and Diluted) are computed in accordance with Ind AS 33 - Earnings Per Share notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).*
3. *Net asset value per Equity Share is the equity attributable to equity holders of our Company divided by weighted average numbers of Equity Shares outstanding during the year / period.*
4. *Total borrowings include current and non-current borrowings of our Company.*

* *EPS for the six months' period ended September 30, 2022 is not annualized.*

\# *Our Company has pursuant to a Board resolution dated December 13, 2022 issued bonus shares at a 1:17 ratio of the equity shares at face value of ₹10 each. Basic and diluted EPS and Net asset value per share are considered post issue of bonus shares.*

Auditor qualifications which have not been given effect to in the Restated Summary Statement

There are no auditor qualifications which have not been given effect to in the Restated Summary Statement.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Directors, and Promoter as on the date of this Draft Red Herring Prospectus, is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved *(₹ in million)**
Company						
By the Company	-	-	-	-	1	28.33
Against the Company	-	4	-	-	-	16.16
Directors						
By the Directors	-	-	-	-	-	-
Against the Directors	-	3	-	-	-	0.26
Promoter						
By the Promoter	-	-	-	-	2	292.00
Against the Promoter	-	18	-	-	-	415.36[(1)(2)(3)]

[*]*To the extent quantifiable.*

1) *Excludes ₹ 2.47 million already paid by our Promoter and appropriated by way of order dated March 18, 2011 passed by the Commissioner of Customs and Central Excise Hyderabad – IV Commissionerate. Further, excludes ₹ 2.09 million already paid by our Promoter and appropriated by way of order dated April 30, 2020 passed by the Commissioner of Central Tax and Central Excise, Ranga Reddy Commissionerate.*
2) *Excludes ₹ 21.03 million and ₹29.78 million paid by our Promoter in tax arrears arising out of tax proceedings relating to rectification order dated February 8, 2018 and demand notice dated January 10, 2019, respectively.*
3) *Excludes total refund claims of ₹ 41.69 million to which our Promoter is entitled under various direct tax proceedings.*

	As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Company. For further details of the outstanding litigation proceedings involving our Company, Directors and Promoter, see "*Outstanding Litigation and Material Developments*" beginning on page 292.
Risk Factors	For details of the risks applicable to us, see "*Risk Factors*" on page 25.
Summary table of contingent liabilities	There are no contingent liabilities as at September 30, 2022 as per Ind AS 37.
Summary of related party transactions	A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties derived from our Restated Summary Statement are as follows:

(₹ in million)

Nature of the transaction	Party name	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contract with customers – Sale of Goods	Cyient Limited	0.51	10.95	10.91	38.27
	Cyient Inc.	11.77	1.24	6.52	4.47
	Cyient Israel India Limited	-	-	-	0.16
Marketing expenses	Cyient Israel India Limited	7.81	15.01	20.00	13.88
Purchases of goods	Cyient Israel India Limited	-	-	-	4.20
	Cyient Limited	-	-	8.23	-
Reimbursement of expenses	Cyient Limited	32.24	37.38	37.09	29.51
	Cyient GmbH	-	3.29	-	-
	Cyient Singapore	5.92	6.81	-	-
	Cyient Inc.	15.22	45.84	22.64	-
Term loans received	Cyient Limited	-	-	230.00	700.00
Working capital loan received	Cyient Limited	-	825.00	300.00	200.00
Working capital loan paid	Cyient Limited	-	600.00	300.00	204.00
Corporate guarantee received	Cyient Limited	750.00	-	-	1,450.00
Corporate guarantee liquidated	Cyient Limited	-	-	-	2,210.00
Purchase of investment	Cyient Limited	892.00	-	-	-
Right issue of shares	Cyient Limited	888.62	-	-	-
Interest on loan from holding company	Cyient Limited	46.19	81.64	77.34	61.51
Compensation to Key Managerial Personnel	Parvati Ramachandra[#1]	0.77	1.58	1.30	1.31
	Rajendra Velagapudi[#1*]	7.39	16.15	12.06	13.77
	Suchitra R C[#1]	3.75	7.43	6.26	5.80
	Independent Directors	-	-	-	0.90

#1 The above figures do not include provisions for leave encashment, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

** Managerial remuneration to Mr. Rajendra Velagapudi is paid by Cyient Limited, Holding Company and is recharged to the Company.*

For details of the related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 265.

Details of all financing arrangements whereby the Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the	Our Promoter, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus

Weighted average cost of acquisition at which Equity Shares were acquired by our Promoter in the one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus

The weighted average cost of acquisition at which Equity Shares were acquired by our Promoter in (a) the one year preceding the date of this Draft Red Herring Prospectus; (b) the 18 months preceding the date of this Draft Red Herring Prospectus; and (c) the three years preceding the date of this Draft Red Herring Prospectus, are as follows:

(a) Weighted average cost of acquisition at which Equity Shares were acquired by our Promoter in the one year preceding the date of this Draft Red Herring Prospectus:

Name of the Promoter	Number of Equity Shares acquired in last one year^	Weighted weighted average cost of acquisition per Equity Share (in ₹)
Cyient Limited	51,499,000	17.26

^Including 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.
** As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.*

(b) Weighted average cost of acquisition at which Equity Shares were acquired by our Promoter in the 18 months preceding the date of this Draft Red Herring Prospectus:

Name of the Promoter	Number of Equity Shares acquired in last eighteen months^	Weighted average cost of acquisition per Equity Share (in ₹)
Cyient Limited	51,499,000	17.26

^Including 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.
** As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.*

(c) Weighted average cost of acquisition at which Equity Shares were acquired by our Promoter in the three years preceding the date of this Draft Red Herring Prospectus:

Name of the Promoter	Number of Equity Shares acquired in last three years^	Weighted average cost of acquisition per Equity Share (in ₹)
Cyient Limited	51,499,000	17.26

^Including 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.
** As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.*

Weighted average price at which the equity shares of the Company were acquired by the Promoter in the last one year

The weighted average price at which the equity shares of our Company were acquired by our Promoter in the last one year preceding the date of this Draft Red Herring Prospectus, is as follows:

Name of the Promoter	Number of Equity Shares acquired in last one year^	Weighted average price of acquisition per Equity Share (in ₹)
Cyient Limited	51,499,000	17.26

^Including 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.
** As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.*

Average cost of acquisition of Equity Shares of our Promoter

The average cost of acquisition of Equity Shares of our Promoter is as follows:

Name	Number of Equity Shares held^	% of Pre issue Equity Share Capital	Average cost of acquisition per Equity Share* (in ₹)
Cyient Limited	52,866,000	100%	78.76

^ Including 18 Equity Shares each held by Sudheendhra Putty Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.
** As certified by N B T and Co, Chartered Accountants, by way of certificate dated January 9, 2023.*

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus

Name of acquirer	Date of acquisition	Number of Equity Shares acquired in the last three years^	Price of acquisition per Equity Share (in ₹)
Promoter			
Cyient Limited	September 9, 2022	1,570,000	566.00
	December 27, 2022	49,929,000	Nil[#]
Members of Promoter Group (other than the Promoter)			

	Not Applicable **Shareholders with nominee director or other rights** Not Applicable ^ *Including 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.* # *Equity Shares allotted pursuant to the bonus issue* * *As certified by N B T and Co, Chartered Accountants, by way of certificate dated January 9, 2023.*
Financing Arrangements	There have been no financing arrangements whereby the Promoter, members of the 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 relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
Size of the pre-IPO placement and allottees, upon completion of the placement	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including by way of a private placement, rights issue, preferential offer or any other method as may be permitted under applicable law to any person(s) aggregating up to ₹ 1,480 million, at its discretion, prior to the filing of the Draft Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company.
Any issuance of Equity Shares in the last one year for consideration other than cash	Our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.
Any split/consolidation of Equity Shares in the last one year	Our Company has not done any split/consolidation of Equity Shares in last one year, preceding this Draft Red Herring Prospectus.
Exemption from complying with any provisions of securities laws, if any, granted by SEBI	Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in the equity shares involves a certain degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", "Financial Information", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 107, 151, 171, 210 and 266, respectively, before making an investment decision in relation to the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any or a combination of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of the Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business, results of operations, financial condition and cash flows, it may also have the effect of heightening many of the other risks described in this section.

In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Issue including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in the Issue.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 18.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. However, there are certain risk factors where such implications are not quantifiable, and hence any quantification of the underlying risks has not been disclosed in such risk factors. Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our Restated Summary Statement included in this Draft Red Herring Prospectus. For further information, see "Restated Summary Statement" on page 210.

*Unless the context otherwise requires, references to our "customer" or "customers" shall be deemed to include affiliates or group entities of our customers, as applicable. Unless otherwise indicated or unless the context requires otherwise, industry and market data used in this section have been derived from the Frost & Sullivan Report, prepared and issued by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") exclusively for the purpose of this Issue, and commissioned and paid for by our Company. Frost & Sullivan was appointed by us pursuant to an engagement letter dated November 19, 2022. A copy of the Frost & Sullivan Report is available on the website of our Company at www.cyientdlm.com/investors from the date of filing of the Red Herring Prospectus until the Bid/Issue Closing Date. The data included herein includes excerpts from the Frost & Sullivan Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Frost & Sullivan Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

INTERNAL RISK FACTORS

1. Our business is dependent on the sale of our products to certain key customers. The loss of any of our key customers or loss of revenue from sales to our customers could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We are dependent on certain of our key customers, especially Honeywell International Inc., Thales Global Services S.A.S, ABB Inc., Bharat Electronics Limited and Molbio Diagnostics Private Limited.

The details of contribution of our top 10 customers to our total revenue from operations for the six months period ended September 30, 2022, and Fiscals 2022, 2021 and 2020, has been set out below:

Particulars	For the six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Customer concentration (Top 10)*# (in %)	93.00	93.24	90.83	89.34

**Customer concentration (Top 10) % indicates total revenue from top ten customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.*

#Includes affiliates or group entities of our customers, as applicable.

We enjoy long-term relationships as an integrated partner to multiple marquee customers such as Honeywell International Inc., Thales Global Services S.A.S ("**Thales**"), ABB Inc, Bharat Electronics Limited and Molbio Diagnostics Private Limited, having had an average relationship of over 11 years as on September 30, 2022 with the aforementioned customers. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers and we cannot assure you that we will be able to significantly reduce customer concentration in the future. Reliance on certain key customers for significant revenue may generally involve several risks and we may have difficulty in securing comparable levels of business from other customers to offset any loss of revenue from the loss of any such key customers. Risks involved with reliance on key customers for significant revenue may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers, failure to renew contracts with one or more of our significant customers, failure to renegotiate favourable terms with our key customers or the loss of these customers entirely, all of which would have a material adverse effect on the business, results of operations, financial condition, cash flows and future prospects of our Company.

In addition, we have account receivables in connection with our manufacturing services to our key customers. If one or more of our customers were to become insolvent or otherwise unable to pay for the products supplied by us, this could have a have an impact on our business as we may not be able to recoup the unpaid production costs and materials incurred for manufacturing purposes.

2. Our order book may not be indicative of our future growth rate or new business orders we will receive in the future. Further, we may not realize all of the revenue expected from our order book.

The amount of our revenue from our customers, including the realization of revenue from future contracts from awarded business or our existing order book, or obtaining new business or customers, is inherently subject to a number of risks and uncertainties, including cancellation of existing purchase orders and right shifting (the postponement of current purchase orders to subsequent quarters) of future orders. Our dedicated supply chain and materials team follows a stringent and rigorous selection, evaluation and qualification process for our suppliers, who are also rated and monitored on an ongoing basis. Upon winning a contract, we expect to receive all or a sizable portion of revenue from it. However, there is no assurance in relation to the revenue that the awarded business will eventually generate for us. Further, our customers may delay or cancel a contract that has been awarded to us due to various reasons. Our order book as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 is as follows:

Particulars	As of September 30, 2022	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
Order book* (in ₹ million)	25,467.72	12,029.76	9,061.18	9,701.18

**Order book (in ₹ million) indicates the executable work orders from our customers as the end of the year / period*

While we have long-term agreements with our customers, we may not have any recourse in the event of an unexpected delay or cancellation of a development program. Further, these agreements may also be terminated by our customers. Our business pipeline and growth projections are not necessarily an accurate indication of what our actual sales and revenues from such orders will be, nor does it purport to project our business, results of operations, financial condition or cash flows for any future period or date. Accordingly, we may not be able to realize any or all of the future revenue indicated by our business pipeline and this could have a material adverse effect on our business, results of operations, financial condition and cash flows.

3. We are highly dependent on our Promoter and our management team and key personnel and the loss of any key team member may adversely affect our business performance.

Our Promoter, management team and key personnel have been instrumental in the growth and development of our Company. We benefit from our Promoter's customer relationships, global salesforce, network, technical expertise, design team and marketing team for obtaining and executing some of our contracts. Further, we are also dependent on our Promoter's design team for providing design services to our customers, which enables us to be an integrated EMS and solutions provider. We have entered into a Master Services Agreement dated December 13, 2022 with our Promoter in relation to the provision of services by our Promoter to our Company. Further, we have entered into a Trade-Name License Agreement dated December 13, 2022 with our Promoter, pursuant to which our Company has been granted a non-exclusive and non-transferable license to use the name and logo "Cyient" of our Promoter as *inter alia* part of our corporate name, advertisements, annual reports and other business-related purposes. For further details, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements – Key terms of subsisting material agreements*" on page 183. Any decline in our relationship with our Promoter could prevent us from acting as an integrated EMS and solutions provider, and may have an adverse affect on our business, results of operations, financial condition and cash flows.

Our management team comprises our Managing Director, Rajendra Velagapudi, our Chief Executive Officer and Business Head, Anthony Montalbano, our Chief Operating Officer, Ram Dornala and our Chief Financial Officer, Shrinivas Appaji Kulkarni. In particular, the active involvement of our management team and key personnel in our operations, including through strategy, direction and customer relationships have been integral to our development and business. The loss of any of these persons would have a material adverse effect on our operations. While we have various initiatives to retain our key personnel, such as ESOP 2022 and group mediclaim policy, we cannot assure you that their services will continue to be available to us, or that we will be able to find suitable replacements if required.

Further, our businesses are dependent upon a core and senior management team which oversees the day-to-day operations, strategy and growth of our business. Our success is largely dependent on our management team which ensures the implementation of our strategy. If one or more members of our key management team were unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, results of operations, financial condition, cash flows and prospects could be adversely affected.

We are a technology driven company with significant focus and investment in our in-house engineering capabilities. Our future success, amongst other factors, will depend on our ability to continue to attract and retain qualified personnel, particularly persons with critical expertise, know-how and skills that are capable of helping us to develop technologically advanced systems and components and support key customers and products. Our failure to successfully manage our personnel needs could materially and adversely affect our business, results of operations, financial condition and cash flows. Moreover, if any of our key professional employees were to join an existing competitor or form a competing company or otherwise leave, it could lead to setbacks in the implementation of our plans and strategy. Our failure to successfully manage our employees' needs could materially adversely affect our business, results of operations, financial condition, cash flows and prospects. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, results of operations, financial condition and cash flows could be adversely affected.

4. We depend on third party suppliers for raw materials and components, which are on a purchase order basis. Such suppliers may not perform, or be able to perform their conditions in a timely manner, or at all and any delay, shortage, interruption, reduction in the supply of or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business, results of operations, financial condition and cash flows.

We are dependent on third party suppliers, including overseas suppliers, for the import and supply of our raw materials and components, including semiconductors, passives (such as capacitors, diodes and resistors), mechanicals (such as sheet metal, plastics and aluminium), cables and connectors and consumables and packing. We rely on such suppliers to perform their conditions and deliver adequate supplies and high-quality raw materials, components and other inputs in a timely manner. Our suppliers are associated with us through purchase orders, and we do not enter into definite-term agreements with them. Accordingly, our suppliers may not perform their obligations in a timely manner or at all, resulting in possible delays to our production schedule and adversely affecting our output.

Further, our ability to identify and build relationships with reliable suppliers contributes to our growth as well as other aspects of our operations. There have been instances in the past where we experienced interruptions in the supply of raw materials and components on account of macroeconomic issues such as the COVID-19 pandemic, and conflicts between countries. Further, there can be no assurance that increased demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. Any change in the supply pattern of our raw materials can adversely affect our business, results of operations, financial condition and cash flows. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and cannot procure the raw materials from other sources, we may be unable to meet our production schedules for our products and ship such products to our customers in timely manner, which may adversely affect our customer relations and reputation. Further, certain of our customer contracts provide for the customer's right to claim damages as a result of any delays caused by us. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

We currently import some of our raw materials and components from various countries including the United States of America, Europe, Israel, China and Singapore and other Asian countries. While we have not yet faced any disruptions due to government conditions on trade practices, we cannot assure you that we will not face such disruptions in the future. Any such disruptions due to government restrictions on trade in the future could have an adverse effect on our business, results of operations, financial condition and cash flows.

5. Any failure to compete effectively in the highly competitive EMS industry could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We face competition in India and overseas in our business against providers of electronics manufacturing services, which is based on many factors, including product quality and reliability, product design and innovation, technology, manufacturing capabilities, scope and quality of service, price and brand recognition. We compete with competitors

to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios. Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. In addition, certain key customers to whom we currently sell certain products could decide to compete with us as manufacturers of these products. For further details of our competition, see "*Industry Overview – Competition Overview*" and "*Our Business – Competition*" on pages 144 and 169, respectively. We also face competition from the manufacturing operations of our current and future customers, who may be evaluating the merits of manufacturing products internally against the advantages of outsourcing to EMS providers.

During periods of recession in the electronics industry, our competitive advantages in the areas of design and manufacture, integrated engineering solutions and the key industries we serve may be of reduced importance to our customers, who may become more price sensitive. We may also be at a competitive disadvantage with respect to price when compared to manufacturers with lower cost structures, particularly those with more offshore facilities located where labour and other costs are lower. The availability of excess manufacturing capacity at many of our competitors creates intense pricing and competitive pressure on the EMS industry as a whole. To compete effectively, we must continue to provide technologically advanced manufacturing services, maintain strict quality standards, respond flexibly and rapidly to customers' design and schedule changes, deliver products globally on a reliable basis at competitive prices and seek to create enhanced relationships with our customers with our advanced technology and engineering solutions. There can be no assurance that we will be able to competitively develop the products or solutions necessary to retain business or attract new customers. There can also be no assurance that we will be able to establish a compelling advantage over our competitors. Further, we may also not be able to utilize our available capacity, which in turn could have material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, prices of certain raw materials we rely on, such as integrated circuits, connectors and cables, are linked to commodity markets and thus subject to fluctuation. While the prices for certain raw materials are locked-in for a specified period, there can be no assurance that the prices for these products will not be volatile in the future. While in practice we have passed the increase in the cost of raw materials onto our customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. Our inability to adequately adjust our customer pricing in response to increases in prices of raw materials in a timely manner, or at all, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

6. The markets in which our customers compete are characterized by sectors specific to the industries which we cater to, and their rapidly changing preferences and other related factors including lower manufacturing costs and therefore as a result we may be affected by any disruptions in the industry.

The markets in which we and our customers operate is characterized by rapidly changing technology, evolving industry standards and demands for features, and continual product innovation. These conditions may also result in significant competition and short product life cycles. Our total income attributable to customers engaged in the various industries are set out below for the periods indicated:

Industry	**Six months period ended September 30, 2022**		**Fiscal 2022**		**Fiscal 2021**		**Fiscal 2020**	
	Revenue from operations (₹ in million)	**% of Revenue from operations (%)**	**Revenue from operations (₹ in million)**	**% of Revenue from operations (%)**	**Revenue from operations (₹ in million)**	**% of Revenue from operations (%)**	**Revenue from operations (₹ in million)**	**% of Revenue from operations (%)**
Aerospace (I)	627.16	18.43	1,018.29	14.13	952.29	15.16	657.27	14.38
Defence (II)	1,327.99	39.03	3,371.25	46.79	2,638.96	42.02	2,105.38	46.06
Medical Technology (III)	608.04	17.87	1,615.56	22.42	1,853.22	29.51	864.84	18.92
Industrial (IV)	825.42	24.26	1,040.55	14.44	714.25	11.37	838.37	18.34
Others (V)	14.08	0.41	159.68	2.22	121.57	1.94	105.01	2.30
Total (I+II+III+IV+V)	**3,402.70**	**100.00**	**7,205.33**	**100.00**	**6,280.28**	**100.00**	**4,570.87**	**100.00**

If the end-user demand is low for our customers' products, there may be significant changes in the orders from our customers and we may experience greater pricing pressures. Therefore, risks that could harm the customers of our

industry could, as a result, adversely affect us as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products. If our customers' technologies become obsolete or fail to gain widespread commercial acceptance, our customers may experience a reduced demand for their products which may affect our sales to such customers, operating margins depending on the nature of the product, and all of these combined may gradually result in a loss of customers including key ones. However, there can be uncertainty regarding the development and production of these products as planned and failure to anticipate or respond rapidly to advances in technology can have a material adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may also choose to import some of these products which provide them better cost benefits as compared to us or source the products from our competitors. While we have not faced any loss of customers due to industry-wide competition in the last three Fiscals, or in the current Fiscal until the date of this Draft Red Herring Prospectus, we have, in certain instances, been unsuccessful in matching our prices with the target price of our customers and consequently have lost bids for certain new projects. This price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to reduced revenues, lower profit margins or loss of market share etc., any of which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

Additional risks that could significantly harm our key customers as well as us, include:

- action undertaken by the government to tax our business, or that of our customers;
- recession in countries in which our key customers' operate their businesses;
- slowdown and reduced spending in the industries in which our customers operate;
- our customers' inability to effectively manage their operations;
- a change in their management which may results in us not being a preferred supplier to them; and
- changes in laws affecting our customers to operate profitably.

7. Any decline in the value of investments of our Company, present and future, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We have, pursuant to a share purchase agreement dated September 14, 2022, purchased 2,342,869 equity shares of Innovation Communication Systems Limited ("**ICS**", and such equity shares, the "**ICS Shares**") from our Promoter, aggregating to 15.00% of the paid-up equity share capital of ICS, at a price of ₹ 380.73 per ICS Share and for a total consideration of ₹ 892.00 million, based on fair value as certified by an independent valuer. There is no impairment as at September 30, 2022. If ICS or any other entity whose securities we may invest in in the future do not perform adequately or if there is any material adverse impact on their business, results of operations, financial condition or cash flows, we may not derive optimal returns on such investments, or the return on such investments may be lower or may have to be impaired / written off, which may have an adverse impact on our business, results of operations, financial condition or cash flows. See "*Our Promoter and Promoter Group – Payments or Benefits to our Promoter*" on page 203.

8. There may be problems with the products we design through the design team of our Promoter, manufacture or service that could result in liability claims against us, reduced demand for our services and damage to our reputation.

We design through the design team of our Promoter, manufacture and sell products based on our customers' specifications, many of which are highly complex, particularly when catering to end-use industries such as aerospace and defence and medical technology, that have higher risk profiles. Despite our quality control and quality assurance efforts, problems may occur, or may be alleged, in the design, manufacturing or servicing of these products, including as a result of business continuity issues. Any failure on our part to render services as per client requirements could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect.

Whether or not we are responsible for the problems in the products we manufacture, whether real or alleged, whether caused by faulty customer specifications, the design or manufacturing processes, servicing, or a component defect, may result in delayed shipments to customers or, reduction or cancellation of customer orders. If any such problems were to occur in large numbers or too frequently, our business reputation may also be affected. In addition, such problems may result in liability claims against us, whether or not we are responsible. These potential claims may include damages for the recall of a product or injury/bodily harm and material or non-material damage caused to person or property. We may also be required to repair the defective product or replace it with a new conforming product and

the costs may also be required to be borne by us, or if they are borne by the customer, may be capped. The successful assertion of any claim could have a material adverse effect on our business, results of operations, financial condition and cash flows and could adversely affect our reputation.

Further, even if customers or third parties, such as component suppliers, are responsible for defects, they may not, or may not be able to, assume responsibility for any such costs or required payments to us. While we seek to secure contractual protection and/or to insure against many of these risks, we may not have practical recourse against certain suppliers, and contractual protections, insurance coverage or supplier warranties, as well as our other risk mitigation efforts, may be inadequate, costly, or unavailable. We occasionally incur costs defending claims, and any such disputes could adversely affect our business relationships.

We have, in the past, faced certain issues in relation to claims made by customers due to allegedly defective products supplied by us. For example, in relation to a project with one of our customers, we entered into settlement and release agreements (read with the amendments thereto) with the relevant customer (together, the "**Settlement Agreements**"). The Settlement Agreements were entered into in relation to disputes that arose with regards to certain products supplied by us to the customer, which allegedly contained certain defective components sourced from a supplier selected by the customer. Pursuant to the settlement of the dispute and mutual release of all claims between the parties, we agreed to replace the defective products and offered the replacement products of an amount aggregating to USD 0.15 million to the customer free of cost. We cannot assure you that such product defects will not arise in the future, whether on our account or on account of defective components provided by a supplier. If such cases arise, our customers may cancel orders, refuse to renew contracts, make adverse claims against us which, if litigated, may be decided against us. Any future product defects or defaults may have a material adverse impact on our business, results of operations, financial condition, cash flows and future prospects.

9. The global nature of our operations exposes us to numerous risks that could materially adversely affect our business, results of operations, financial condition and cash flows.

Our products are sold to customers in India and overseas, including North America and Europe. As a result, we are subject to several and complex legal and regulatory requirements in the jurisdictions we operate in. The table below sets out the details of our total revenue from contracts with customers with geographical location outside India:

	Six months period ended September 30, 2022	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Outside India (in ₹ million)	2,088.84	3,241.23	2,295.19	2,484.93
Outside India % (in %)	61.39	44.98	36.55	54.36

Our customers, suppliers and we are subject to risks that are specific to each country in which we operate, as well as risks associated with carrying out business operations on an international scale, including the following, the occurrence of any of which may adversely affect our business, results of operations, financial condition and cash flows:

- COVID-19-related closures and other pandemic-related uncertainties in the countries in which we operate;
- Import and export regulations that could among others erode profit margins or restrict imports or exports, changes in foreign exchange controls and tax rates, foreign currency exchange rate fluctuations, including devaluations (also see "*Risk Factors - Foreign exchange fluctuations may adversely affect our earnings and profitability*" on page 38);
- Changes in regional and local economic conditions, including local inflationary pressures, economic cycle and demand for products in the international markets;
- Difficulty of enforcing agreements and collecting receivables through certain foreign systems;
- Variations in protection of intellectual property and other legal rights;
- Changes in laws and regulations, changes in labour conditions/ related regulations and difficulties in staffing and managing international operations;
- Unsettled political conditions and possible terrorist attacks against countries where we sell our products or have other interests; and
- Availability and terms of financing.

In the event that we are unable to anticipate and effectively manage these and other risks, it could have a material and adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, we will be required to procure certifications in addition to other quality standards which could be necessary for the products to be accepted by customers and the markets in which we export our products. As such, we may need to obtain and maintain the relevant certifications so that our customers are able to sell their products overseas, which include components that are manufactured by us. While we have not faced any failure in obtaining such certifications in the past three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus, our inability to secure such certifications, or any other licenses, certification, registrations and permits in other jurisdictions in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties, which could have a material adverse effect on our overall business, results of operations, financial condition and cash flows.

Our future revenue growth also depends upon the adequacy and effectiveness of our supply chain infrastructure spread across various countries and the successful management of our sales, marketing, support and service teams in various countries where our facilities and current or potential customers are located. Moreover, the growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new geographies also may expose us to regulatory regimes with which we have no prior direct experience. In addition, the costs associated with entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

10. Any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on business, results of operations, financial condition and cash flows.

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. Set out below are the details of our Trade Receivables and Trade Receivables Turnover ratio as at September 30, 2022 March 31, 2022, March 31, 2021 and March 31, 2020:

	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Trade Receivables (₹ in million)	1,507.61	1,523.25	2,263.83	545.85
Trade Receivables Turnover Ratio[*]	2.25[**]	3.81	4.47	5.25

[*]Trade Receivables Turnover Ratio = Revenue from operations / Average trade receivables.
[**]Trade Receivables Turnover Ratio for the six months period ended September 30, 2022 is not annualised.

Further, in the six months period ended September 30, 2022, we wrote-off bad debts of ₹ 6.57 million. We have not written off any bad debts in Fiscals 2022, 2021 and 2020. Our results of operations and profitability depend on the credit worthiness of our customers. We cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. While there have been no instances of major delays or major defaults in payments by the Company's customers in the last three Fiscals, or in the current Fiscal until the date of this Draft Red Herring Prospectus, that have materially impacted the Company's business and operations, we have faced delays in payments of receivables by certain customers, and in a certain case, we have initiated legal proceedings for recovery of such receivables for an amount deemed material by our Board. For further details, see "*Outstanding Litigation and Material Developments*" on page 292. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on our business, results of operations, financial condition and cash flows.

11. 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.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

While we will conduct all related party transactions post listing of the Equity Shares subject to the Board's or Audit Committee's or Shareholders' approval, as applicable, and in compliance with the 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, which may be detrimental to our Company and may have an adverse impact on our Company, and which our Company will endeavour to duly address as and when they may arise. However, we cannot assure you that any such future transactions, individually or in the aggregate, may not involve potential conflicts of interest which will not have an adverse effect on our business, results of operations, financial condition and cash flows.

A significant portion of our related party transactions for the six months period ended September 30, 2022, and Fiscals 2022, 2021 and 2020 were with our Promoter, which included loans received, loan repayments, corporate guarantees received and liquidated. Further, certain of our related party transactions entered into in the past involve investments made in certain entities. For details, see "*Risk Factors – Any decline in the value of investments of our Company,*

present and future, could have a material adverse effect on our business, results of operations, financial condition and cash flows." on page 29.

For details on our related party transactions during the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, see "*Other Financial Information –Related Party Transactions*" on page 265.

12. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. We have relied on the quotations received from third parties for estimation of the cost for our capital expenditure requirements and have not been independently appraised by a bank or a financial institution.

We intend to use the net proceeds of the Issue for the purposes described in the section titled "*Objects of the Issue*" on page 79. The objects of the Issue comprise funding incremental working capital requirements of our Company, funding capital expenditure of our Company; repayment/prepayment, in part or full, of certain of our borrowings, achieving inorganic growth through acquisitions and general corporate purposes.

Further, we intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements which includes, inter alia, purchase of plant and machinery for our existing manufacturing facilities. We have estimated the total cost of such capital expenditure to be ₹ 435.72 million. We are yet to place orders for the total capital expenditure. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Issue and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see "*Objects of the Issue*" on page 79.

The objects of the Issue have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates, estimates received from the third party agencies and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Issue would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, at such price and in such manner in accordance with applicable law.

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

13. Our Promoter will continue to retain significant shareholding in our Company after the Issue, which will allow it to exercise control over us.

After the completion of the Issue, our Promoter will continue to hold [●]% of our outstanding Equity Shares. Accordingly, our Promoter will continue to exercise control over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our charter documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. There can be no assurance that our Promoter will exercise its rights as a shareholder to the benefit and best interests of our Company. The interests of our Promoter, as our Company's significant shareholder and exercising control over our Company, could be different from the interests of our other Shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other Shareholders.

14. Our manufacturing facilities, Registered Office and Corporate Office are located on land parcels that are not owned by us and are held by us on a leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.

As of the date of this Draft Red Herring Prospectus, all of our manufacturing facilities and offices, including our Registered Office and Corporate Office, are held on a leasehold basis. Set out in the table below are details of the address of our Registered Office and our Corporate Office, as well as our manufacturing facilities:

S. No.	Particulars	Address	Lease details
1.	Registered Office	3rd floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India	Leased to us by our Promoter until January 31, 2025 by way of a lease deed dated February 1, 2020
2.	Corporate Office	347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India	Leased to us by Sri Ranga Trust until February 1, 2024 by way of a lease agreement dated February 3, 2015
Facilities			
3.	Mysuru	347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India	Leased to us by Sri Ranga Trust until February 1, 2024 by way of a lease agreement dated February 3, 2015
4.	Hyderabad	Plot 5G, Survey No. 99/1, Mamidipalli village, GMR Aerospace & Industrial Park. GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108, Telangana, India	Sub-sub leased to us by GMR Hyderabad Aviation SEZ Limited until March 22, 2038 by way of a sub-sub lease deed dated February 12, 2019
5.	Bengaluru	No. 70, (Old No. F-53), 4th Main Road, Industrial Estate, Rajajinagar, Bengaluru 560 044	Leased to us by Tushar N. Shah until March 31, 2023 by way of a lease deed dated April 25, 2017, read with addendums dated April 10, 2018 and January 2, 2019, and amendment dated April 1, 2020 thereto.

In addition to the above, we also avail storage and warehousing services in in Tulsa, Oklahoma, USA, pursuant to a warehouse services agreement dated May 6, 2022 entered into with United Warehouse Co.

The lease for our Mysuru facility and our Corporate Office expires on February 1, 2024 and the lease for our Bengaluru facility expires on March 31, 2023. We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. Further, the lease deed for our Registered Office is not registered or stamped, and we may be unable to enforce it and may be required to pay additional stamp duty or make similar payments. Additionally, our title and tenement rights to our Registered Office or any of our other properties which we lease could be affected by such improperly executed, unregistered or insufficiently stamped conveyance instruments, or other defects that the lessors may be unaware of. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

In addition, any regulatory non-compliance by the lessor or us or adverse development relating to the lessors' title or ownership rights to such properties, may entail significant disruptions to our operations, especially if we are forced to vacate the leased spaces following such developments. If our sales do not increase in line with our rent and costs, including setup and interior design costs, our profitability, business, results of operations, financial condition and cash flows could be adversely affected.

15. COVID-19 has had, and could continue to have, an adverse effect on our business, results of operations, financial condition and cash flows.

The COVID-19 pandemic has had, and could continue to have, an adverse impact on our business, results of operations, financial condition and cash flows. In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India and the United States (the countries where our Company has its manufacturing facilities), declared national emergencies in response to the COVID-19 pandemic. The global impact of the COVID-19 pandemic continues, with many countries, including the countries where we have our business operations, instituting quarantines and restrictions on travel, operations with reduced workforce, closing financial markets and/or restricting trading, and limiting the operations of non-essential businesses.

In response to the COVID-19 pandemic, the Government of India ("**GoI**") imposed a nationwide 21 day lockdown on March 24, 2020 from March 25, 2020 until April 14, 2020, which was subsequently extended until May 31, 2020. Further, from March 2021, there has been a substantial increase in the number of COVID-19 cases in India, which led to additional lockdowns and movement restrictions in different places in India. Further, as a result of the detection of

new strains, evolving variants such as the 'Omicron variant' and subsequent waves of COVID-19 infections throughout the world, we may be subject to further lockdowns or other restrictions in the subsequent years, which may adversely affect our business operations.

As a consequence of these lockdowns, our supply chain was disrupted, some parts of our workforce were unable to attend work at our manufacturing facilities, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. Individuals' ability to travel both within and outside of India have been curtailed through mandated travel restrictions and may be further limited in the future. Since late 2020 some of these measures have been lifted and partial travel has been permitted. These measures have impacted and may have a further impact on our workforce and our operations in the jurisdictions in which we operate, the business of our customers and suppliers. Our Company has considered internal and external sources of information in evaluating the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables.

The COVID-19 pandemic has affected and may continue to affect our business, results of operations, financial condition and cash flows in a number of ways. For example, due to the COVID-19 pandemic, we had to pay additional cash amounts to secure materials for future production requirements, thereby resulting in additional inventories and an impact on our cash flow. We have also experienced disruptions in our logistics operations, and our supply chain, such as a shortage of containers and delayed shipments due to limited operation of flights. However, no penalties were levied by any of our customers in India and overseas, due to any delays during such period.

While our customers have not defaulted in payments, we have encountered delays in payments from our customers. Our trade receivables increased by 314.73% from ₹ 545.85 million in Fiscal 2020 to ₹ 2,263.83 million in Fiscal 2021 and decreased by 32.71% to ₹ 1,523.25 million in Fiscal 2022. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations, financial condition and cash flows.

16. Unplanned slowdowns or shutdowns of our manufacturing operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business is dependent upon our ability to efficiently manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and circumstances beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters and infectious disease outbreaks such as the COVID-19 pandemic. Any malfunction or breakdown of our machinery may require significant repair costs and consequently cause delays in our operations. We may also face protests from local citizens at our existing manufacturing facilities or while setting up new facilities, which may delay or halt our operations. There are no instances of unplanned slowdowns or shutdowns in the manufacturing operations of our Company in the last three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus.

Our operations also require a significant amount and continuous supply of electricity and fuel and any shortage or non-availability of such utilities may adversely affect our operations. Any interruption in the continuous supply electricity may negatively impact the quality of the final product manufactured by us, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and adversely affecting our reputation or customer relationships. A prolonged interruption of electricity supply can also result in manufacturing slowdown or shutdowns, increased costs associated with restarting manufacturing and the loss of manufacturing in progress. The occurrence of any such event in the future could have an adverse effect on our business, results of operations, financial condition and cash flows. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers' requirements and result in us breaching our contractual obligations.

17. The strict quality requirements required to be complied with by us result in us incurring significant expenses to maintain our product quality. Any failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation may adversely affect our business, results of operations, financial condition, cash flows and reputation.

Given the nature of our business, products and services, our customers have high and exacting standards for product and service quality, as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to termination of our contracts or cancellation of the orders placed by our customers. These quality specifications and requirements include, among others, setting up robust process controls including failure mode effect analysis and infrastructure support inline detection of failures at an early stage, and such other specifications specified by our customers. Additionally, our customers typically have stringent, time-consuming selection, inspection and review procedures for their products. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities and logistical capabilities. As a result of being subject to a stringent quality control mechanism at each stage of the manufacturing

process, 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, and in the manufacturing processes.

We have, in the past, faced certain issues in relation to claims made by customers due to allegedly defective products supplied by us. For details, see "- *Our business is dependent on the sale of our products to certain key customers. The loss of any of our key customers or loss of revenue from sales to our customers could have a material adverse effect on our business, results of operations, financial condition and cash flows.*" There can be no assurance that our Company will meet the relevant quality requirements in respect of the products manufactured by us in the future. If any such event were to occur in future, it may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Further, we have received a number of quality assurance certifications and accreditations which have certified that our design, development, manufacturing and supply of our products are in compliance with globally accepted manufacturing practices and quality standards. For instance, our manufacturing facilities have received accreditations including the ISO 9001:2015, ISO 13485:2016, ISO/TS 22163:2017 and AS 9100:2016 certifications and are also accredited by NADCAP. If we are unable to renew these accreditations, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, results of operations, financial condition and cash flows.

We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control a failure of which may negatively impact our profitability.

18. Our insurance coverage may not be adequate to protect us against all potential losses or to satisfy potential claims, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business operations are subject to various risks, including failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance policies for our manufacturing facilities and our operations, including marine cargo insurance (sales turnover policy), and industrial all risks insurance. Further, our Promoter maintains certain insurance policies which also cover its subsidiaries, including us, such as directors and officers liability and company re-imbursement insurance, commercial general liability insurance, cyber protection – digital business and data protection insurance, commercial crime insurance and technology and telecommunication professional indemnity insurance. While we believe that the insurance coverage we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you 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. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. As of September 30, 2022 insurance cover on assets of our Company amounts to ₹ 9,555.42 million as of September 30, 2022, covering 230.64% of the total assets of our Company (excluding intangible assets and deferred tax assets). In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

In addition to the above, we also maintain employees compensation insurance, group personal accident insurance and a group mediclaim policy. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, financial condition and cash flows may be adversely affected. For further information, see "*Our Business – Insurance*" on page 170.

19. This Draft Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from Frost & Sullivan, appointed by our Company pursuant to an engagement letter dated November 19, 2022. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

This Draft Red Herring Prospectus includes industry-related information that is derived from the industry report titled "Market Assessment for India EMS Industry" dated January 7, 2023 ("**Frost & Sullivan Report**"), prepared by Frost & Sullivan, appointed by our Company pursuant to an engagement letter dated November 19, 2022. We commissioned and paid for this report for the purpose of confirming our understanding of the EMS sector in India only for the purpose of the Issue. Our Company, our Promoter, and our Directors are not related to Frost & Sullivan. Frost & Sullivan has advised that while it has taken reasonable care to ensure the accuracy and completeness of the Frost & Sullivan Report, it believes that the Frost & Sullivan Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters / conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan's assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

20. Our failure to keep our technical knowledge confidential could erode our competitive advantage.

Like our competitors, we possess extensive technical knowledge about our products, including in relation to the manufacturing process for our products. Such technical knowledge has been built up through our own experiences, which grant us access to new technologies. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Our Company has taken various steps to protect the technical confidential information of our Company and of our customers, which include entering into non-disclosure agreements with our customers and suppliers and with our key employees, restricting usage and disclosure of our confidential or proprietary information.

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 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. Although we may seek to enforce non-disclosure agreements in respect of certain key employees, we cannot guarantee that we will be able to successfully enforce such agreements. Further, we cannot assure you that the non-disclosure agreements with our suppliers will be successful in protecting our technical knowledge. In the event the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the EMS sector 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, while no confidential technical information of our Company has been leaked in the last three Fiscals, or in the current Fiscal until the date of this Draft Red Herring Prospectus, any leakage of confidential technical information in the future could have an adverse effect on our business, results of operations, financial condition and cash flows.

21. In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisitions, we may have to seek alternative forms of funding.

We will from time to time continue to seek attractive inorganic opportunities to achieve inorganic growth through acquisitions and propose to utilise ₹ 740.00 million from the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of next three Financial Years from the date of listing of the Equity Shares, as set forth in "*Objects of the Issue*" on page 79. Further, for details of interim use of Net Proceeds, see "*Objects of the Issue – Interim use of Net Proceeds*" on page 91. The amount of Net Proceeds to be used for each individual acquisition and/or investments will be based on our management's decision and may not be the total value or cost of any such investments but is expected to provide us with sufficient financial leverage to pursue such investments. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken, as well as general factors affecting our business, results of operation, financial condition, cash flows and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or whether these will be in the nature of asset or technology acquisitions or joint ventures.

If we choose to grow through acquisitions, we may face risks including: (i) difficulties integrating the personnel, operations, technology, internal controls and financial reporting of companies we acquire into our operations; (ii) disruption of our ongoing business and diversion of the attention of our management; (iii) potential loss of skilled professionals and established customer relationships of the businesses we acquire; (iv) unforeseen or hidden liabilities or costs post-acquisition; (v) regulatory hurdles in closing an acquisition; and (vi) challenges in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and alliances. In addition, acquisitions may result in impairment of goodwill and other intangible assets, adversely affecting our business, results of operations, financial condition and cash flows. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. We may not be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment. Further, for any reason, in the event the benefits we realize are less than our estimates or the acquisitions adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our business, results of operations, financial condition and cash flows may be materially adversely affected.

22. We have incurred losses in recent financial years.

We had a net loss for the year of ₹ 67.04 million for Fiscal 2020. The table below sets out our Profit/ (Loss) for the period / year for the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020.

Particulars	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Profit / (loss) for the year / period* (₹ in million)	134.22	397.95	118.14	(67.04)

**Profit(loss) for the year/period is calculated as profit/(loss) before tax minus tax expense for the year/period.*

The net loss for the year of ₹ 67.04 million in Fiscal 2020 was primarily due to one-time expected credit loss allowance (net) of ₹ 83.68 million. We cannot assure you that we will not incur losses in the future.

23. We have, in the preceding one year, issued Equity Shares at a price which could be lower than the Issue Price. The price at which we have issued Equity Shares during the last one year from the date of this Draft Red Herring Prospectus may not be indicative of the Issue Price.

We have, in the preceding one year prior to filing of this Draft Red Herring Prospectus, issued Equity Shares at prices that could be lower than the Issue Price, as set out in the table below:

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Name of allottees/ shareholders
September 9, 2022	Rights Issue	Cash	1,570,000	2,937,000	10	566	Allotment to Cyient Limited

The price at which such Equity Shares were issued may not be indicative of the Issue Price, or the price at which the Equity Shares will be traded going forward. Further, while we have not granted any options under the ESOP 2022 as on the date of this Draft Red Herring Prospectus, we may, in the future, issue Equity Shares, including through the grant of stock options under the ESOP 2022, at prices that may be lower than the Issue Price, subject to compliance with applicable law. Grant of stock options result in a charge to our statement or profit and loss and reduce, to that extent, our reported profits in future periods. Any issuances of Equity Shares by our Company, including through the grant of stock options under ESOP 2022, may dilute your shareholding in our Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities. For further details, see "*Capital Structure – Notes to the Capital Structure - Share Capital History of our Company - Equity Share capital*" on page 69.

24. Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, biomedical waste, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our manufacturing processes are also subject to laws and regulations in relation to quality, safety and health.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that hazardous into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also adversely affect our

reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, maternity leave, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. If we are unable to remain in compliance with all applicable environmental, health and safety and labour laws, including pursuant to either any inadvertent actions or inaction by our Company or factors that may be outside the direct control of our Company, our business, results of operations, financial condition and cash flows may be adversely affected.

Under the legal framework we operate in, we are also required to obtain and maintain a number of statutory and regulatory permits, approvals, licenses, registrations and permissions for carrying out our business and operations. 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, results of operations, financial condition and cash flows. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

For details of applicable regulations relating to our business and operations, see "*Key Regulations and Policies*" on page 171. Further, see "*Government and Other Approvals*" on page 299 for details of the material approvals applicable to our business and operations and for details of applications made for certain regulatory approvals that we have applied for but not yet received, and details of approvals which have expired and for which we are yet to apply for renewal as on the date of this Draft Red Herring Prospectus. Such approvals include, among others, the consent order issued by the Karnataka State Pollution Control Board required under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 for our manufacturing facility at Mysuru, which expired on December 31, 2022 and for which we have made an application and are yet to receive the renewal, and the authorisation order issued by the Karnataka State Pollution Control Board for generation, reception and any other use of hazardous or other wastes or both on the premises of our Mysuru facility under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which has expired on December 31, 2022 and for which we are yet to make an application for renewal, as on the date of this Draft Red Herring Prospectus.

We cannot assure you that the relevant regulatory or statutory authorities will not initiate actions against us for carrying out our operations without applying for and holding valid approvals. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected.

25. Foreign exchange fluctuations may adversely affect our earnings and profitability.

We derive a significant portion of our revenues from outside India, which is denominated and transacted in foreign currencies and subjects us to foreign exchange risk. For details of our total revenue from contracts with customers with geographical location outside India, see " - *The global nature of our operations exposes us to numerous risks that could materially adversely affect our business, results of operations, financial condition and cash flows.*" on page 30.

Further, certain of our transactions, such as imports of raw materials and components and payment of certain expenses, are conducted in foreign currencies, and certain assets and liabilities are denominated in foreign currencies. We do not have a formal hedging policy and accordingly, may be subject to foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies. Further, we will face foreign currency transaction risk to the extent that the amounts and relative proportions of various currencies in which our costs and liabilities are denominated deviate from the amounts and relative proportions of the various currencies in which our sales and assets are denominated.

The impact of future exchange rate fluctuations among different currencies on our results of operations and financial condition cannot be accurately predicted, and our attempts to mitigate the adverse effects of exchange rate fluctuations may not be successful. Such exchange rate fluctuations may in the future have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects in the future.

26. Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of our customers or other third parties with which we conduct business, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Cyber threats are evolving and are becoming increasingly sophisticated. Our Company may experience cyber threats from time to time, which pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. There have been no instances of the loss / leakage of confidential information from our Company's IT systems or due to cyber-attacks on our Company. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber-attacks or security breaches of our networks or systems in the future, could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, other litigation, regulatory and legal risks and the costs associated therewith, reputational damage, reimbursement or other compensatory costs, remediation costs, increased cybersecurity protection costs, additional compliance costs, increased insurance premiums, and lost revenues, damage to the Company's competitiveness, share price, and long-term shareholder value, any of which could materially adversely affect our business, results of operations, financial condition and cash flows. We also maintain and have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws and regulations. Despite our efforts to protect such sensitive, confidential or personal data or information, our facilities and systems and those of our customers and third-party service providers may be vulnerable to security breaches, theft, fraud, misplaced or lost data, "Acts of God", programming and/or human errors that could lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, manufacturing downtimes and operational disruptions, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

27. We do not own the "Cyient" trademark or the trademark to our logo. We have entered into a Trade-Name License Agreement with our Promoter for the usage of the "Cyient" trademark, and the trademark license agreement may be terminated under certain circumstances.

While we have applied for the registration of the trademark "Cyient DLM" (word and logo) under classes 9, 35 and 42 under the Trade Marks Act, 1999, and have also applied for international registration of the trademark "Cyient DLM" (word and logo) under classes 9, 35 and 42 under the Madrid Protocol, we do not own the trademark to our logo. Further we do not own the "Cyient" trademark, which is registered in favour of our Promoter. Further, the trademark which we have applied for are not registered yet. Pursuant to the Trade-Name License Agreement dated December 13, 2022 ("**Trademark License Agreement**"), executed between our Company and our Promoter, we have been granted a non-exclusive and non-transferable license to use the name and logo "Cyient" of our Promoter as *inter alia* part of our corporate name, advertisements, annual reports and other business-related purposes, for a license fee of ₹ 0.1 million, payable on January 13, 2023. Our Promoter is entitled to terminate the Trademark License Agreement, upon immediate written notice without the opportunity to cure, upon the occurrence of certain events, including but not limited to: (a) adjudication of our Company as bankrupt; (b) failure or refusal of our Company to perform any obligation created under the Trademark License Agreement; (c) any misrepresentation by our Company relating to the acquisition of the license, or any our Company, shareholders, officers, directors or managing personnel engaging in conduct which reflects unfavourably on our Promoter's name, operation or reputation; and (d) conviction of our Company or our shareholders, officers, directors etc. of any felony or criminal misconduct, relevant to the operation of the business of our Company. For further details on the Trademark License Agreement, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements - Key terms of subsisting material agreements - Trade-Name License Agreement dated December 13, 2022 executed between our Company and our Promoter ("Trademark License Agreement")*" on page 183. In the event that the Trademark License Agreement is terminated, or if our applications for registration of the aforementioned trademarks are rejected, we may have to discontinue the use of the "Cyient" trademark and our logo, or the "Cyient DLM" (word and logo) which may materially and adversely affect our reputation, business, results of operations, financial condition, cash flows and prospects.

28. We are dependent on third parties for the transportation and timely delivery of our products to customers.

We rely on third parties for the transportation services for the timely delivery of our products to our customers located in India and other countries. Our domestic operations use a number of different modes of transportation, including road, air and rail. Where a shipment is outbound overseas, we use a number of different modes of transportation, including road, air and sea. We also utilise third-party freight forwarders who contract with the relevant ocean carriers and airlines on our behalf and engage third-party logistics service providers to provide support on our transportation requirements. Therefore, we face a risk that there could be deficiency or interruption in these third-party services.

Disruptions of transportation services because of weather related problems, strikes, lockouts, inadequacy of road infrastructure, lack of containers or other events may affect our delivery schedules and impair our supply to our customers. To the extent that our losses are not covered by insurance, this may have a material adverse effect on our business, results of operations, financial condition and cash flows. Delays (including delays in customs clearance) or non-delivery of our products may also have a material adverse effect on our business, results of operations, financial

condition and cash flows. Although we enter into formal contracts with or issue purchase orders to our third-party logistic service providers, we may be exposed to fluctuations in transportation costs. However, in the event that these logistic service providers are unable to continue to provide these necessary services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations, financial condition, cash flows and reputation may be materially adversely affected.

29. There are outstanding legal proceedings involving our Company, one of our Directors and our Promoter and adverse outcomes in such proceedings may negatively affect our business, results of operations, financial condition and cash flows.

As on the date of this Draft Red Herring Prospectus, our Company, one of our Directors and our Promoter are involved in certain civil and tax legal proceedings, which are pending at various levels of adjudication before various courts, tribunals, forums and appellate authorities. We may in the future be, implicated in lawsuits including lawsuits and arbitrations involving compensation for loss due to various reasons including tax matters, civil disputes, labour and service matters, statutory notices, regulatory petitions and other matters. Litigation or arbitration could result in substantial costs to, and a diversion of effort by, us and/or subject us to significant liabilities to third parties. In addition, we are subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage.

We cannot provide any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business, results of operations, financial condition and cash flows of our Company, delay in implementation of our current or future projects and results of operations. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that we will be able to recover any losses incurred from third parties, regardless of whether we are at fault. Even if we are successful in defending such cases, we may be subject to legal and other costs incurred pursuant to defending such litigation, and such costs may be substantial and not recoverable. There can be no assurance that losses relating to litigation or arbitration will be covered by insurance or that any such losses would not have a material adverse effect on our business, results of operations, financial condition and cash flows.

A summary of the nature and number of outstanding material litigation as on the date of this Draft Red Herring Prospectus, as decided by our Board and further detailed in "*Outstanding Litigation and Material Developments*" on page 292, involving our Company, Directors and our Promoter along with the amount involved, to the extent quantifiable, has been set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved (₹in million)*
Company						
By the Company	-	-	-	-	1	28.33
Against the Company	-	4	-	-	-	16.16
Directors						
By the Directors	-	-	-	-	-	-
Against the Directors	-	3	-	-	-	0.26
Promoter						
By the Promoter	-	-	-	-	2	292.00
Against the Promoter	-	18	-	-	-	415.36[(1)(2)(3)]

**To the extent quantifiable.*

1) *Excludes ₹ 2.47 million already paid by our Promoter and appropriated by way of order dated March 18, 2011 passed by the Commissioner of Customs and Central Excise Hyderabad – IV Commissionerate. Further, excludes ₹ 2.09 million already paid by our Promoter and appropriated by way of order dated April 30, 2020 passed by the Commissioner of Central Tax and Central Excise, Ranga Reddy Commissionerate.*
2) *Excludes ₹ 21.03 million and ₹29.78 million paid by our Promoter in tax arrears arising out of tax proceedings relating to rectification order dated February 8, 2018 and demand notice dated January 10, 2019, respectively.*
3) *Excludes total refund claims of ₹ 41.69 million to which our Promoter is entitled under various direct tax proceedings.*

Further, our Company was required to file an eForm MGT-14 with the Registrar of Companies, Karnataka at Bengaluru pursuant to the provisions of Section 233 read with Section 117 of the Companies Act, 2013, in respect of the special resolution passed by the members at the extra-ordinary general meeting held on February 21, 2018 approving the scheme of amalgamation with Techno Tools Precision Engineering Private Limited. Our Company made an application dated January 9, 2023 before the RoC, seeking condonation of delay in filing the relevant form. The approval of the regulatory authority is awaited as on the date of this Draft Red Herring Prospectus. We cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies and delays in our secretarial filings and/or corporate records in the future, which may adversely affect our business, results of operations, financial condition, cash flows and reputation. For further details, see "*Outstanding Litigation and Material Developments*" on page 292.

30. We are highly dependent on our Mysuru facility for a significant portion of our revenue from operations and our manufacturing facilities are geographically concentrated. Any disruption in our Mysuru facility may adversely affect our business, results of operations, financial condition and cash flows.

We derive a significant portion of our revenue from operations from our Mysuru facility. The contribution of our Mysuru facility to our total revenue from operations for the six months period ended September 30, 2022, and Fiscal 2022, 2021 and 2020 are set out in the table below for the periods indicated:

	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations from our Mysuru facility (₹ in million)	3,021.94	6,531.35	6,093.41	4,544.43
As a percentage of our total revenue from operations (%)	88.81	90.65	97.02	99.42

Any disruptions in our Mysuru facility, could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, results of operations, financial condition and cash flows.

We currently operate through three manufacturing facilities in the States of Karnataka and Telangana, namely at Mysuru, Bengaluru and Hyderabad. There are no instances in the past linked to the location of the Company's manufacturing facilities in these states, that have materially and adversely affected business and operations of the Company. However, our operations are susceptible to local and regional factors, such as accidents, political factors, system failures, economic and weather conditions, natural disasters, and demographic and population changes, the outbreak of infectious diseases such as COVID-19 and other unforeseen events and circumstances. Further, disruptions, damage or destruction of those facilities may severely affect our ability to meet our customers' demand and the loss of any one of our key customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations, financial condition and cash flows.

31. If we are unable to sustain or manage our growth, our business, results of operations, financial condition and cash flows may be materially adversely affected.

We have experienced growth in the past three years. For Fiscal 2022, we had a total income of ₹ 7,284.84 million, as compared to ₹ 4,649.12 million for the Fiscal 2020. Our operations have grown over the last few Fiscals. We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for our products, bad debts on account of poorer recovery from our customers, increased price competition, reduction in margins, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations, financial condition and cash flows.

We are embarking on a growth strategy which involves strengthening our core capabilities across focus industries and building scale, investing in enhancing our design capabilities, expanding our geographical footprint, strengthening our supply chain ecosystem and enhancing our product diversity and complexity, and exploring adjacencies. Such growth strategy will place significant demands on our management as well as our financial, accounting and operating systems and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in:

- making accurate assessments of the resources we will require;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- acquiring new customers and increasing or maintaining contribution from existing customers;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

If we are unable to increase our manufacturing capacity, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our products, and increase our customer base, we may not be able to execute our operations efficiently, which may result in delays, increased costs, increase in bad debts and lower quality products. From time to time, we may also be investing in newer technology and hardware which may have the effect

of increasing our capital expenditure outflows during the relevant period. We cannot assure you that our future performance or growth strategy will be in line with our past performance or growth strategy. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations, financial condition, collections and cash flows.

32. A downgrade in our credit rating could adversely affect our ability to raise capital in the future.

Our Company has received the following credit ratings from CRISIL Ratings Limited pursuant to its rating rationale dated August 4, 2022:

Total Bank Loan Facilities Rated	₹ 4,680 million (enhanced from ₹ 3,930 million)
Long Term Rating*	CRISIL A+/Stable (Assigned)
Long Term Rating	CRISIL AA (CE)/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (CE) (Reaffirmed

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, results of operations, financial condition, cash flows and prospects.

33. We have working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our Company requires working capital to finance the purchase of raw materials and for the manufacture of our products and other related work before payment is received from customers. As on September 30, 2022, our total outstanding indebtedness in respect of our working capital facilities was ₹ 2,085.87 million. In addition, set out below are the certain details pertaining to our working capital requirements, including our debt service coverage ratio, current ratio, interest coverage ratio and net working capital for the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020:

Particulars	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Debt service coverage ratio[(1)]	0.23[(5)]	0.36	0.23	0.18
Current ratio[(2)]	1.13	1.14	0.90	0.85
Interest coverage ratio[(3)]	1.75	2.95	1.32	0.17
Net working capital[(4)] (₹ in million)	827.04	727.32	(476.73)	(679.12)
Total borrowings[(6)] (₹ in million)	3,081.50	2,931.93	2,337.65	2,613.71
Total current assets (₹ in million)	7,363.73	5,918.98	4,429.20	3,880.15
Total current liabilities (₹ in million)	6,536.69	5,191.66	4,905.93	4,559.27
Finance costs (₹ in million)	144.80	219.75	207.70	181.94

Notes:

(1) Debt service coverage ratio = (Net profit after taxes + Non-cash operating expenses+ Interest expense) / (Interest & Lease Payments + Principal Repayments).

(2) Current ratio = (Current Assets) / Current Liabilities).

(3) Interest coverage ratio = (Earnings before interest and taxes) / Finance cost.

(4) Net working capital = (Current assets – Current Liabilities).

(5) Debt Service Coverage Ratio for the six months' period ended September 30, 2022 is not annualised.

(6) Total borrowings include current and non-current borrowings.

Our Company intends to use ₹ 2,910.90 million from the Net Proceeds towards funding our incremental working capital requirement, which will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan. For details, see "*Objects of the Issue*" on page 79.

The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the EMS sector. Our sources of additional financing, required to meet our working capital requirements and capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly,

continued increases in our working capital requirements may have an adverse effect on our business, results of operations, financial condition and cash flows.

34. The activities carried out at our manufacturing facilities can cause injury to people or property in certain circumstances.

The activities carried out at our manufacturing facilities may be potentially dangerous to our employees. While we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance including insurance policies for accidents, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. We have not encountered any fatalities or any employee injuries in the last three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus. However, any such future accident may result in litigation, the outcome of which is difficult to assess or quantify, the cost to defend such litigation can be significant and our insurance may not be sufficient to provide complete coverage. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, results of operations, financial condition, cash flows and prospects.

35. Our Company has availed unsecured loans from our Promoter, some of which may be recalled by our Promoter at any time and our Company may not have adequate funds to make timely payments or at all.

Our Company has availed unsecured loans from our Promoter in the form of working capital facilities and term loans. The working capital facilities availed by us from our Promoter may be recalled at any time. As of September 30, 2022, the outstanding amount in respect of such loans availed from our Promoter amounted to ₹ 1,535.63 million. Such loans may be recalled at any time. In the event that our Promoter seeks repayment of any such unsecured loan, our Company may need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, results of operations, financial condition and cash flows.

36. We may be affected by strikes, work stoppages or increased wage demands by our employees that could interfere with our operations.

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on the date of this Draft Red Herring Prospectus, we had 634 permanent employees. In addition, we have entered into arrangements with third party personnel companies for the supply of contract staff, and as on the date of this Draft Red Herring Prospectus, we engaged 387 such contract staff. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. While we have not faced any strikes by our employees until date, we cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future.

Our workers are not currently represented by any labour unions. However, with respect to the workers in our Mysuru facility, we have entered into a memorandum of settlement with the representatives of our workers, which is valid until March 31, 2025, and shall be valid thereafter unless terminated by either of the parties. The memorandum of settlement provides for certain demands made by our workers which were accepted by us, including in relation to increases in wages, performance bonus, medical insurance policy, night shift allowances, term life insurance, and also provides for the maintenance of discipline among the workers, and for the workers to use their best endeavours to promote the interests of our Company. Further, with respect to the workers at our Hyderabad facility, we have standing orders certified and authenticated by the Office of the Development Commissioner, Vishakhapatnam Special Economic Zone, Ministry of Commerce and Industry, Government of India on March 16, 2022 under the Industrial Employment (Standing Orders) Act, 1946 and the Telangana State Industrial employment (Standing Orders) Rules, 1953 ("**Standing Orders**"). The Standing Orders provide for certain disciplinary rules and regulations for the workers in our Hyderabad facility and for our Company, including posting methods, manner of intimation for workmen periods and hours of work, leaves and absence, stoppage, closure and layoff, secrecy, misconduct and punishment for misdemeanour, which were accepted by the representatives of the workers.

If a labour dispute or conflict were to develop between us and our employees or contracted workers were to unionise or go on strike, we could become a target for union organizing activities and suffer work stoppage for a significant period of time. Such unionisation of the workers engaged by our customers, and any strikes, work stoppages, industrial actions or other forms of labour unrest or collective actions directed against us or our customers could hinder our business operations or result in negative publicity that could adversely affect our brand and reputation. Any labour disruption may adversely affect our manufacturing operations either by increasing our cost of production or halt a portion or all of our production.

37. We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.

As of September 30, 2022 our total outstanding borrowings amounted to ₹ 3,081.50 million, which also included borrowings availed from our Promoter. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, without limitation, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. We may also require consents from certain third parties, including our lenders under our financing agreements, in order to utilize the Net Proceeds towards the objects of the Issue, including in relation to the object on prepayment or repayment of certain outstanding borrowings availed by our Company, due to which we may also attract prepayment penalties. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Certain of the corporate actions that require prior consents from certain lenders of our Company include, amongst others, entering into a scheme of merger, amalgamation, compromise or reconstruction, declaring dividend, permit any change in the general nature of our business, or any change in the ownership or control of our Company whereby the effective beneficial ownership or control of our Company changes directly or indirectly and making amendments to our constitutional documents. Further as per a loan agreement with one of our lenders, the lender can veto abovementioned activities and if our Company still goes ahead with such activities the lender can call up facilities sanctioned. Further as per a loan agreement with one of our lenders, there is a condition for prepayment of facilities in the event of default if such default is not cured within fifteen days of its occurrence, and the loan agreements with two of our lenders contain provisions for penalties in addition to the applicable interest rate in the event of prepayment of the facilities. Also, as per a loan agreement with one of our lenders, any default under any other loan arrangements entered into by Company will be considered as event of default under the loan agreement. Further, while we have not yet faced any instances of non-compliance of our financing agreements in the past, any failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time.

Further, during the COVID-19 period, the Government of India has provided certain moratoriums on interest payments. While we have not obtained any such moratoriums under any of our borrowings and have not faced any instances of defaults in payment of loans or rescheduling of loans in the past, there is no assurance that such instances will not occur in the future.

Some of our borrowings are secured, among others, through a charge by way of hypothecation on our current assets movable property. See "*Financial Indebtedness*" on page 290. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted except in the normal course of business. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations, financial condition and cash flows may be adversely affected.

A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

38. We engage contract workers for carrying out certain functions of our business operations. In the event of non-availability of such contract workers at reasonable cost, any adverse regulatory orders or any default on payments to them by the agencies could lead to disruption of the manufacturing facilities and our business operations.

We engage independent contractors through whom we engage contract workers for performance of certain functions at our manufacturing units and at our offices. While we have not faced any breach of agreements executed with such independent contractors in the last three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus, there is no assurance that such breach will not occur in the future. As on the date of this Draft Red Herring Prospectus, we engaged a total of 387 contract workers / temporary employees. Although we do not engage these contract workers directly, we are responsible for any wage payments to be made to such laborers in the event of default by their respective independent contractors. Any requirement to fund such defaulted wage requirements may have an adverse impact on our business, results of operations, financial condition and cash flows.

Our industry is labour intensive and our dependence on contract labour may result in significant risks for our operations, relating to the cost, availability and skill of such contract laborers in India, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates. Any increase in the cost of labour or failure to procure availability of labour due to any other reason, will adversely affect our business, results of operations, financial condition and cash flows.

In addition, pursuant to the Contract Labour (Regulation and Abolition) Act, 1970, the appropriate government may, after consultation with the Central Advisory Contract Labour Board or the State Advisory Contract-Labour Board, as the case may be prohibit, by notification, the employment of contract labour in any process, operation or other work in any establishment. We cannot assure you that such a notification will not be issued by the appropriate government in respect of the locations of our manufacturing facilities. If such a notification prohibiting the employment of contract labour is issued with respect to our operations, it will have an adverse impact on our ability to employ contract labour in our manufacturing and other operations, and may adversely affect our business, results of operations, financial condition and cash flows.

39. We may undertake or may be forced to undertake certain onerous contractual obligations with some of our customers.

We have in the past, provided certain customers with price reductions and indemnities. We cannot assure you that our existing or future customers will not demand for similar provisions in their contracts with us. While to date we believe such obligations have not materially affected us, there can be no assurance that they will not adversely affect us in the future. Furthermore, if we refuse to enter into contracts that contain such obligations, we may lose prospective customers and our business, results of operations, financial condition and cash flows could be adversely affected.

40. Our ability to pay dividends in the future will depend on our earnings, financial condition, profit after tax available for distribution, cash flow, cash balance, debt-raising capacity, liquidity and return ratios and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, profit after tax available for distribution, cash flow, cash balance, debt-raising capacity, liquidity and return ratios and restrictive covenants of our financing arrangements. For more information, see "*Dividend Policy*" on page 209. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our 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. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant. We cannot assure you that we will be able to pay dividends in the 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 the Equity Shares will appreciate in value.

41. Some of our corporate records, including those relating to allotments of our Equity Shares in the past, are not traceable.

Certain of our corporate records in relation to certain allotments of equity shares and Preference Shares, namely the Forms-2 filed with the Registrar of Companies in relation to the allotments made by our Company on February 10, 1999 and September 20, 2002, along with the relevant attachments and the challans for the Forms-2, are not traceable in the historical records maintained by our Company, or at the MCA Portal maintained by the Ministry of Corporate Affairs and the Registrar of Companies, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. Further for the issuances of equity shares and Preference Shares of our Company on February 10, 1999 and September 20, 2002, certain of our corporate records do not contain details of the nature of allotments made or the nature of consideration.

Therefore, we may face challenges in establishing the nature of such allotments and nature of consideration made by our Company including nature of consideration for allotment pursuant to subscription to the Memorandum of Association. Accordingly, we have relied on the other corporate records maintained by the Company such as statutory registers, and the minutes of meetings of the Board (to the extent available) to ascertain the information sought from the missing corporate records.

We have obtained a certificate dated January 9, 2023 from Manish Kumar Singhania, practicing company secretary in relation to such untraceable corporate records. While no legal proceedings or regulatory action has been initiated against us in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future in relation to the missing filings and corporate records.

The actual amount of the penalty which may be imposed or loss which may be suffered by us cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against us. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

For further details of these transfers, the allotments made by our Company in the past, and the share capital history of our Company, see "*Capital Structure*" on page 69. We cannot assure you that such untraceable corporate records and documents will be available with us in future.

42. Some of our Directors and our Promoter have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.

Certain of our Directors and our Promoter are interested in our Company in addition to regular remuneration or benefits and reimbursement of expenses from our Company, and such interests are to the extent of their shareholding and shareholding of their relatives in our Company, payment of dividend or distributions thereon. For the payments that are made by our Company to related parties including remuneration to our Directors, see "*Summary of this Draft Red Herring Prospectus – Summary of Related Party Transactions*" on page 22. Our Promoter, Cyient Limited, is also interested to the extent of certain loans that our Company has availed from our Promoter. For more information, see "*Financial Indebtedness*" on page 290. As our holding company, our Promoter may take actions with respect to our business which may conflict with the interests of the minority shareholders of our Company. For more information, see "*Our Management*" and "*Our Promoter and Promoter Group*" on pages 184 and 201, respectively.

43. Our Directors or Promoter may enter into ventures that may lead to real or potential conflicts of interest with our business.

Our Directors and Promoter may become involved in ventures that may potentially compete with our Company. The interests of our Directors and our Promoter may conflict with the interests of our other Shareholders, and our Directors or Promoter may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit their interests instead of our Company's interests or the interests of its other Shareholders.

Certain subsidiaries of our Promoter, excluding our Company, are engaged in manufacturing activities. However they operate only in markets which are different from the markets we operate in, and accordingly, as on the date of this Draft Red Herring Prospectus, there is no conflict of interest of our Promoter or its other subsidiaries with our Company. Further, our Directors have, as on the date of this Draft Red Herring Prospectus, not undertaken any business in conflict with our Company. However, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

44. Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These Non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.

Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance Gross Profit, Gross Profit Margin, EBIT, EBIT Margin, EBITDA, EBITDA Margin, Profit/(loss) margin, Days sales outstanding (DSO), Asset Turnover Ratio, Return on Net Worth (%), Net Asset Value per Share, Interest Coverage Ratio, Receivable Turnover Ratio, Debt Service Coverage Ratio, Current Ratio, Total Cash, Net Working Capital and Return on Capital Employed and others ("**Non-GAAP Measures**") have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. These Non-GAAP Measures 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. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible.

We track such operating metrics with internal systems and tools, and our methodologies may change over time. If such internal systems and tools undercount or overcount performance, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates, there are inherent challenges and limitations with respect to how we measure data. This may also affect our understanding of certain details of our business, which could affect our long-term strategies. If we discover material inaccuracies in the operating metrics we use, or if they are perceived to be inaccurate, our reputation may be harmed, and our evaluation methods and results may be impaired, which could negatively affect our business. If investors make investment decisions based on operating metrics that are inaccurate, we may also face potential lawsuits or disputes with investors or regulators.

45. A portion of the Net Proceeds may be utilised for repayment or prepayment of certain working capital facilities availed by our Company from Axis Bank Limited, which is an affiliate of Axis Capital Limited, one of the BRLMs.

We propose to repay or pre-pay certain working capital facilities availed by our Company from Axis Bank Limited from the Net Proceeds. Axis Bank Limited is an affiliate of Axis Capital Limited, one of the Book Running Lead Managers and is not an associate of our Company in terms of the SEBI Merchant Bankers Regulations. The working capital facilities sanctioned to our Company by Axis Bank Limited were done as part of their lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the SEBI Merchant Bankers Regulations, or any other applicable SEBI rules or regulations. The Board of Directors of our Company has chosen the loans and facilities to be repaid/prepaid based on commercial considerations. For details see "*Objects of the Issue*" on page 79. However, there can be no assurance that the repayment/prepayment of such loans from the Net Proceeds to an affiliate of one of the Book Running Lead Managers will not be perceived as a current or potential conflict of interest.

EXTERNAL RISK FACTORS

46. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows. The Indian economy could be adversely affected by various factors, such as the impact of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war such as ongoing Ukraine-Russia conflict, natural calamities, volatility in interest rates, volatility in commodity and energy prices, a loss of investor confidence in other emerging market economies and any worldwide financial instability. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

Also see " – *COVID-19 has had and could continue to have, an adverse effect on our business, results of operations, financial condition and cash flows*" on page 33.

47. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business, results of operations, financial condition and cash flows.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 ("**Finance Act**"), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the GoI has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 has introduced various amendments.

In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering the enactment of the Digital Personal Data Protection Bill, 2022 on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the aforesaid bill may introduce stricter data protection norms for a company such as us and may impact our processes.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden

on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition, cash flows and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

48. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our business, results of operations, financial condition and cash flows.

The Restated Summary Statement for the six months period ended September 30, 2022, and Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 included in this Draft Red Herring Prospectus are derived from audited financial statements as of and for the six months period ended September 30, 2022, and Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as US GAAP and IFRS. If the Restated Summary Statement were to be prepared in accordance with such other accounting principles, our business, results of operations, financial condition and cash flows may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Restated Summary Statement and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Ind AS on the financial information presented in the Draft Red Herring Prospectus should accordingly be limited.

49. Political, economic or any other factors beyond our control may have an adverse effect on our business, results of operations, financial condition and cash flows.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. 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, results of operations, financial condition and cash flows and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. The following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- instability in other countries and adverse changes in geopolitical situations;
- 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;

- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;
- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries;
- a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region;
- downgrading of India's sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition and cash flows and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate. Moreover, we are dependent on the various policies, initiatives and schemes proposed or implemented in India, however, there can be no assurance that such policies, initiatives and schemes will yield the desired results or benefits which we anticipate and rely upon for our growth.

50. Financial instability in other countries may cause increased volatility in Indian financial markets and, directly or indirectly, adversely affect the Indian economy and our business, results of operations, financial condition and cash flows.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and emerging economies in Asia. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian financial markets. Although economic conditions vary across markets, a loss of investor confidence in one emerging market may cause increased volatility in other emerging markets, including the Indian financial markets. Therefore, financial instability in other countries may cause increased volatility in Indian financial markets and, directly or indirectly, have an adverse effect on the Indian economy and our business, results of operations, financial condition and cash flows.

51. Our business and activities may be regulated by the Competition Act, 2002.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services, including by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an AAEC on competition in India. The Competition Act also includes provisions in relation to combinations which require any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). While certain agreements entered into by us could be within the purview of the Competition Act, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination

has an AAEC in India. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, financial condition, cash flows and prospects.

The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, results of operations, financial condition and cash flows.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may have a material adverse impact on our business, results of operations, financial condition, cash flows and prospects.

52. Terrorist attacks, civil disturbances and regional conflicts involving India may have an adverse effect on our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. There have been tensions between India and Pakistan over the states of Jammu and Kashmir. In the past there were armed conflicts over parts of Kashmir. Isolated troop conflicts and terrorist attacks continue to take place in these regions. In addition, in June 2020 and December 2022, a confrontation occurred between Indian and Chinese military forces. Such hostilities and tensions could lead to political or economic instability in India, which may have an adverse effect on our business, results of operations, financial condition, cash flows and the price of the Equity Shares. In addition, any further hostilities and tensions could result in investors attaching a higher risk premium to shares of Indian companies, which could have an adverse effect on the price of the Equity Shares.

India has witnessed localized terrorist attacks in the recent past, including, among others, the terrorist attacks in Pulwama in 2019, in Pathankot and Uri in 2016, in Mumbai in 2011 and 2008 and in New Delhi in 2011. Any further terrorist attack in India could result in investors attaching a higher risk premium to shares of Indian companies, which could have an adverse effect on the price of the Equity Shares.

53. Any downgrading of India's sovereign rating by an international rating agency may adversely affect our ratings and thereby the terms on which we are able to borrow on.

Various international rating agencies rate India's sovereign debt. For instance, India's sovereign rating by S&P is as of October 2022 is "BBB-". Any adverse revisions to India's sovereign debt ratings by international rating agencies may adversely affect our ratings and thereby the terms on which we are able to borrow on. This could have an adverse effect on our business, results of operations, financial condition and cash flows.

54. If inflation rises in India, increased costs may result in a decrease in our profits.

Increasing inflation in India could cause the costs of rent, wages, raw materials and other expenses to rise. As per the latest press release of RBI, inflation has ruled at or above the upper tolerance band since January 2022 and core inflation is persisting around six per cent. Headline inflation is expected to remain above or close to the upper threshold in the third and fourth quarter of Fiscal 2023. It is likely to moderate in first half of Fiscal 2024 but will still remain well above the target. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, results of operations, financial condition and cash flows.

55. It may not be possible for investors to enforce any judgment obtained outside India against our Company, the Directors or the Key Managerial Personnel in India except by way of a lawsuit in India.

Our Company is incorporated under the laws of India, all of our assets are located in India and all our Directors and most of our Key Managerial Personnel are residents of India. As a result, it may be difficult to enforce the service of process upon our Company and any of these persons outside of India or to enforce outside of India, judgments obtained against our Company and these persons in courts outside of India.

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

The United Kingdom, Singapore and Hong Kong, among others, have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

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

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

57. Foreign investors are subject to investment restrictions under Indian law 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 valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 342. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, results of operations, financial condition and cash flows.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process.

The Issue Price will be based on numerous factors, including the factors described in "*Basis for Issue Price*" on page 93 and may not be indicative of the market price for the Equity Shares after the Issue. Further, the BRLMs have previously handled issues wherein the market price of the issued shares declined below the offer/issue price of shares within 30 days of their listing and in certain cases continued to trade at a price lower than their offer/issue price on the 180th day from listing. For details of the price information of the past issues handled by the BRLMs, see "*Other Regulatory and Statutory Disclosures*" on page 303.

The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price.

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, there can be no assurance that the investors will be able to resell Equity Shares at or above the Issue Price resulting in a loss of all or part of the investment.

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

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

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

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

The Indian Stamp Act, 1899 was amended to provide that the sale, transfer and issue of certain securities through exchanges, depositories, or otherwise shall be charged with stamp duty. In the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges is on the buyer, while in other cases of transfer for consideration through a depository, the onus is on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

The Government of India announced the union budget for Fiscal 2023, following which the Finance Bill, 2022 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received the

assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("**Finance Act**"). There is no certainty on the impact of Finance Act on tax laws or other regulations, which may adversely affect our business, results of operations, financial condition and cash flows or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us, including to comply with minimum public shareholding norms applicable to listed companies in India or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares (in accordance with applicable law including procuring regulatory approvals, as required) by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the 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 accordance with applicable law including procuring regulatory approvals, as required) in the future.

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

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

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

62. Fluctuations in the exchange rate between the Rupee and other currencies may have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.

On listing, the Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by 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 net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. Dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment within six Working Days from the Bid/ Issue Closing Date, or such other period as may be prescribed by the SEBI, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, financial condition or cash flows may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such

events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

SECTION III: INTRODUCTION

THE ISSUE

The following table sets forth details of the Issue:

Issue of Equity Shares[(1)(2)]	Up to [●] Equity Shares, aggregating up to ₹ 7,400.00 million
of which:	
Employee Reservation Portion[(3)]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
Shareholders Reservation Portion[(4)]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
Net Issue	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Net Issue comprises of:	
A) QIB Portion[(5)]	Not less than [●] Equity Shares* aggregating up to ₹[●] million
of which:	
(1) Anchor Investor Portion	Up to [●] Equity Shares*
(2) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares*
of which:	
Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares*
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares*
B) Non-Institutional Portion[(6)(7)]	Not more than [●] Equity Shares* aggregating up to ₹[●] million
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 to ₹1,000,000	[●] Equity Shares
Two-third of the Non-Institutional Portion 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* aggregating up to ₹[●] million
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as on the date of this Draft Red Herring Prospectus)	52,866,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Issue*" on page 79 for information about the use of the proceeds from the Fresh Issue.

**Subject to finalisation of the Basis of Allotment.*

(1) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 1,480 million. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company.

(2) The Issue has been authorised by our Board of Directors at their meeting dated December 13, 2022 and by our Shareholders at their meeting dated December 14, 2022.

(3) The Employee Reservation Portion shall not exceed [●]% of our post-Issue paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Issue. For further details, see "Issue Structure" on page 320. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Issue. Our Company in consultation with the BRLMs, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date.

(4) The Shareholder Reservation Portion shall not exceed 10.00% of the Issue size. The unsubscribed portion, if any, in the Shareholder Reservation Portion, shall be added to the Net Issue. Bids by Eligible Cyient Shareholders in the Shareholder Reservation Portion, the Net Issue portion and the Employee Reservation Portion (if eligible) shall not be treated as multiple Bids subject to applicable limits. To clarify, Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion above ₹ 200,000 can Bid in the Net Issue for up to ₹ 200,000 and Employee Reservation Portion (if eligible and subject to applicable limits), otherwise such Bids shall be treated as multiple Bids. If an Eligible Cyient Shareholder is Bidding in the Shareholder Reservation Portion up to ₹ 200,000, application by such Eligible Cyient Shareholder in the Retail Portion or Non-Institutional Portion and Employee Reservation Portion (if eligible and subject to applicable limits) shall not be treated as multiple Bids. Therefore, Eligible Cyient Shareholders bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Issue and Employee Reservation Portion (if eligible and subject to applicable limits) and such Bids shall not be treated as multiple Bids. For further details, see "Issue Structure" on page 320. Our Company in consultation with the BRLMs, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date.

(5) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For details, see "Issue Procedure" on page 324.

(6) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Issue Structure" on page 320.

(7) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see "Issue Procedure" beginning on page 324.*

Allocation to all categories, except the Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Issue Procedure*" on page 324.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Summary Statement. The summary financial information presented below should be read in conjunction with "*Restated Summary Statement*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 210 and 266.

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SUMMARY BALANCE SHEET DATA

(₹ in million)

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ASSETS				
Non-current assets				
Property, plant and equipment	1,251.98	1,294.83	1,400.89	572.36
Right of use assets	364.07	382.86	420.11	452.69
Capital work-in-progress	0.92	33.91	23.16	774.00
Goodwill	30.30	30.30	30.30	30.30
Other intangible assets	19.83	14.12	4.94	6.58
Financial assets				
(a) Investments	895.22	3.22	3.22	3.22
(b) Other financial assets	33.80	38.80	46.20	55.88
Deferred tax assets (net)	33.12	38.98	50.86	61.98
Income tax assets	5.03	5.03	5.84	8.54
Other non-current assets	4.74	8.11	35.59	89.24
Total non-current assets	**2,639.01**	**1,850.16**	**2,021.11**	**2,054.79**
Current assets				
Inventories	3,953.29	2,695.62	1,554.47	2,225.77
Financial assets				
(a) Trade receivables	1,507.61	1,523.25	2,263.83	545.85
(b) Cash and cash equivalents	818.08	768.59	146.69	234.58
(c) Other bank balances	449.86	449.49	195.07	426.87
(d) Other financial assets	36.60	22.33	30.93	28.82
Other current assets	598.29	459.70	238.21	418.26
Total current assets	**7,363.73**	**5,918.98**	**4,429.20**	**3,880.15**
Total assets	**10,002.74**	**7,769.14**	**6,450.31**	**5,934.94**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	29.37	13.67	13.67	13.67
Other equity	1,763.85	757.45	362.85	243.39
Total equity	**1,793.22**	**771.12**	**376.52**	**257.06**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	871.18	995.63	640.00	651.88
(b) Lease liabilities	348.30	377.19	400.02	417.50
(c) Other financial liabilities	123.31	113.10	56.62	-
Provisions	69.21	59.61	53.78	49.23
Other non-current liabilities	260.83	260.83	17.44	-
Total non-current liabilities	**1,672.83**	**1,806.36**	**1,167.86**	**1,118.61**
Current liabilities				
Financial liabilities				
(a) Borrowings	2,210.32	1,936.30	1,697.65	1,961.83
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	29.96	32.06	60.60	22.98
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,477.18	1,892.79	1,839.65	1,025.59
(c) Lease liabilities	58.77	59.71	52.52	48.23
(d) Other financial liabilities	68.23	41.33	42.80	165.61
Income tax liabilities (net)	91.56	60.63	27.13	2.41
Provisions	7.95	13.36	12.35	12.44
Other current liabilities	1,592.72	1,155.48	1,173.23	1,320.18
Total current liabilities	**6,536.69**	**5,191.66**	**4,905.93**	**4,559.27**
Total liabilities	**8,209.52**	**6,998.02**	**6,073.79**	**5,677.88**
Total equity and liabilities	**10,002.74**	**7,769.14**	**6,450.31**	**5,934.94**

SUMMARY PROFIT AND LOSS DATA

(₹ in million, except per share data)

Particulars	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME				
Revenue from operations	3,402.70	7,205.33	6,280.28	4,570.87
Other income	78.08	79.51	88.83	78.25
Total income	**3,480.78**	**7,284.84**	**6,369.11**	**4,649.12**
EXPENSES				
Cost of materials consumed	2,594.31	5,552.88	4,778.52	3,881.79
Changes in inventories of finished goods and work-in-progress	52.77	(113.26)	174.41	(232.69)
Employee benefits expense	239.35	516.52	468.63	440.95
Finance costs	144.80	219.75	207.70	181.94
Depreciation and amortisation expense	98.93	192.86	184.62	105.79
Other expenses	163.92	408.79	399.28	343.50
Total expenses	**3,294.08**	**6,777.54**	**6,213.16**	**4,721.28**
Profit/(loss) before tax	**186.70**	**507.30**	**155.95**	**(72.16)**
Tax expense / (benefit)				
(a) Current tax	46.37	96.35	5.03	(0.96)
(b) Deferred tax	6.11	13.00	32.78	(4.16)
Total tax expense / (benefit)	**52.48**	**109.35**	**37.81**	**(5.12)**
Profit/(Loss) for the period/ year	**134.22**	**397.95**	**118.14**	**(67.04)**
Other comprehensive income (OCI)				
Items that will not be reclassified subsequently to statement of profit or loss:				
(i) Remeasurement gains/(losses) of net defined benefit liability	(0.99)	(4.47)	1.84	(14.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.25	1.12	(0.52)	3.59
Total other comprehensive income/(loss) for the period/ year, net of tax	**(0.74)**	**(3.35)**	**1.32**	**(10.67)**
Total comprehensive income/(loss) for the period/ year, net of tax	**133.48**	**394.60**	**119.46**	**(77.71)**
Earnings per equity share (face value of ₹ 10 each)				
Basic and diluted (₹)*	4.61	16.17	4.80	(2.72)

***** *EPS for the six months period ended September 30, 2022 is not annualised and after the adjustment made towards bonus issue.*

SUMMARY CASH FLOW DATA

(₹ in million)

Particulars	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) for the year/ period	**134.22**	**397.95**	**118.14**	**(67.04)**
Adjustments for:				
Tax expense	52.48	109.35	37.81	(5.12)
Depreciation and amortisation expense	98.93	192.86	184.62	105.79
Profit on sale of Property, Plant and Equipment (net)	-	(0.94)	-	-
Net unrealised exchange loss/(gain)	(32.60)	15.45	27.92	14.68
Finance costs	132.59	190.61	188.47	160.47
Interest income	(9.53)	(16.09)	(17.59)	(27.26)
Expected credit loss allowance, net	1.64	(13.15)	8.68	83.68
Operating profit before working capital changes	**377.73**	**876.04**	**548.05**	**265.20**
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	30.84	758.78	(1,722.86)	596.68
Inventories	(1,257.67)	(1,141.15)	671.30	(436.43)
Other assets and other financial assets	(137.19)	(181.92)	154.55	11.13
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	574.85	7.65	820.72	55.65
Provisions, other liabilities and other financial liabilities	470.38	228.01	(123.21)	(332.52)
Cash generated from operations	**58.94**	**547.41**	**348.55**	**159.71**
Income taxes received/(paid), net	(15.44)	(62.04)	0.73	2.57
Net cash flow from operating activities (A)	**43.50**	**485.37**	**349.28**	**162.28**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment and intangible assets	(11.86)	(84.14)	(273.87)	(829.68)
Investment in equity instruments	(892.00)	-	-	(3.19)
Proceeds from sale of property, plant and equipment	-	7.06	-	-
Investment in Deposits	(1,580.87)	(323.00)	(305.00)	(318.55)
Proceeds from maturity/ withdrawal of Deposits	1,580.50	68.58	536.80	255.12
Interest received	1.04	7.36	33.06	12.84
Net cash flow used in investing activities (B)	**(903.19)**	**(324.14)**	**(9.01)**	**(883.46)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	-	-	230.00	700.00
Repayment of non-current borrowings	-	-	(15.79)	(37.90)
Proceeds from current borrowings	1,425.02	2,551.91	1,645.17	1,755.74
Repayments of current borrowings	(1,252.25)	(1,961.18)	(2,136.20)	(1,421.06)
Proceeds from rights issue of shares	888.62	-	-	-
Repayment of lease liabilities (including interest)	(49.83)	(56.96)	(59.26)	(91.40)
Interest paid	(102.38)	(73.10)	(92.08)	(182.59)
Net cash flow from/(used in) financing activities (C)	**909.18**	**460.67**	**(428.16)**	**722.79**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**49.49**	**621.90**	**(87.89)**	**1.61**
Cash and cash equivalents at the beginning of the period/ year	768.59	146.69	234.58	232.97
Cash and cash equivalents at the end of the period/ year (refer note (i) below)	**818.08**	**768.59**	**146.69**	**234.58**
Notes :				
(i) Cash and cash equivalents comprises of:				
Balances with banks				
in current accounts	765.17	707.29	146.62	220.54
Remittances in transit	52.89	61.29	-	14.01
Cash on hand	0.02	0.01	0.07	0.03
	818.08	**768.59**	**146.69**	**234.58**

GENERAL INFORMATION

Registered Office

Cyient DLM Limited
3rd Floor, Plot No. 11
Software Units Layout, Infocity, Madhapur
Hyderabad 500 081, Telangana, India
CIN: U31909TG1993PLC141346

Corporate Office

Cyient DLM Limited
347, D1 & 2, KIADB Electronics City
Hebbal, Industrial Area
Mysuru 570 061
Karnataka, India

Address of the RoC

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

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

Board of Directors

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

S. No	Name	Designation	DIN	Address
1.	Rajendra Velagapudi	Managing Director	06507627	110, My Home Madhuban Apartment, Srinagar Colony, Hyderabad 500 016, Telangana, India
2.	Ganesh Venkat Krishna Bodanapu	Chairman, Non-Executive & Non-Independent Director	00605187	Plot No. 347, Road No 22 Jubilee Hills Hyderabad 500033
3.	Venkat Rama Mohan Reddy Bodanapu	Non-Executive, Non–Independent Director	00058215	Plot No 1020, Road No. 46, Jubilee Hills, Hyderabad 500 033, Telangana, India
4.	Vanitha Datla	Independent Director	00480422	H No: 8-2-293/82/A, Plot No – 170, Road No-13A, Jubilee Hills, Hyderabad
5.	Jehangir Ardeshir	Independent Director	02344835	302B, Paradise Apartments, Lane E (Off North Main Road), Koregaon Park, Pune 411 001, Maharashtra, India
6.	Pillutla Madan Mohan	Independent Director	09280818	PF-HT 1301, Indian School of Business Campus, Gachibowli, Hyderabad 500032, Telangana, India

For further details of our Directors, see "*Our Management*" on page 184.

Company Secretary and Compliance Officer

Parvati K R
347, D1 & 2, KIADB Electronics City
Hebbal, Industrial Area
Mysuru 570 061
Karnataka, India
Tel: +91 821 4000 500
E-mail: company.secretary@cyientdlm.com

Book Running Lead Managers

Axis Capital Limited
1st Floor, C-2, Axis House
Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: cyient.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Pavan Naik / Jigar Jain
SEBI registration no.: INM000012029

JM Financial Limited
7th floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: cyient.ipo@jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact person: Prachee Dhuri
SEBI registration no.: INM000010361

Legal Counsel to our Company as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower
19, Brunton Road, Off M.G Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

IndusLaw
2nd Floor, Block D, The MIRA
Mathura Road, New Delhi 110 065
New Delhi, India
Tel: +91 11 4782 1000

Statutory Auditors to our Company

S.R. Batliboi & Associates LLP
Skyview, 10 North Lobby
18th Floor, Survey 83/1
Raidurgam, Hyderabad 500 032
Telangana, India
Tel: +91 40 6141 6000
E-mail: srba@srb.in
Firm registration no.: 101049W/E300004
Peer review certificate no.: 013325

Changes in Auditors

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

Registrar to the Issue

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium, Tower B, Plot No. 31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India
Tel: + 91 40 6716 2222
E-mail: cyientdlm.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: M Murali Krishna
SEBI registration no.: INR000000221

Syndicate Members

[●]

Bankers to the Issue

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Issue Bank(s)

[●]

Sponsor Bank(s)

[●]

Banker(s) to our Company

Axis Bank Limited
Tel: +91 98861 12000
E-mail: ajay1.agarwal@axisbank.com
Website: www.axisbank.com
Contact Person: Ajay Kr Agarwal

HDFC Bank Limited
Tel: +91 99864 32714
E-mail: Janardhan.lale@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Janardhan L D

State Bank of India
Tel: +91 82124 17122 / +91 94489 93119
E-mail: sbi.04161@sbi.co.in
Website: www.sbi.co.in
Contact Person: S M Mathad

The Federal Bank Limited
Tel: +91 94465 75754
E-mail: manushankar@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Manushankar V K Nair

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs and mobile applications enabled for UPI Mechanism

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

time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively. 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.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts to the Issue

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

Our Company has received written consent dated January 9, 2023 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated January 5, 2023 on our Restated Summary Statement; and (ii) their report dated January 5, 2023 on the statement of special tax benefits available to the Company included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated January 9, 2023 from, N B T and Co, Chartered Accountants, the independent chartered accountants to include its name as an "expert" under Section 2(38) of the Companies Act, and other applicable provisions of the Companies Act in its capacity as an independent chartered accountant, in respect of the certificates dated January 9, 2023, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

The chartered engineer, namely M. S. Balu (membership number: M-117554/2) has pursuant to his certificate dated January 8, 2023 ("**ICE Certificate**") given consent to our Company to include his name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in its capacity as an chartered engineer, in relation to the ICE Certificate certifying, *inter alia*, installed capacity, actual production and capacity utilization at the manufacturing facilities of our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

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

Appraising Entity

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

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

IPO Grading

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

Debenture Trustees

As this is an Issue of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Inter-se allocation of responsibilities

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Pre-Issue due diligence of Company's positioning/ operations/management/business /legal etc., drafting and design of DRHP, RHP and Prospectus, abridged prospectus and application form. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities.	All BRLMs	Axis
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	All BRLMs	Axis
3.	Drafting and approval of all statutory advertisements.	All BRLMs	Axis
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	All BRLMs	JM Financial
5.	Appointment of intermediaries- Registrar to the Issue, printers, banker(s) to the Issue, advertising agency, monitoring agency, etc. (including coordinating all agreements to be entered with such parties)	All BRLMs	Axis
6.	International institutional marketing of the Issue, which will cover, inter alia: • Co-ordination for research briefing • Preparation and finalizing of road show presentation and FAQs • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	All BRLMs	JM Financial
7.	Domestic institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of domestic investors for one-to one meetings • Finalizing domestic road show and investor meeting schedules	All BRLMs	Axis

Sr. No.	Activity	Responsibility	Co-ordination
8.	Conduct non-institutional and retail marketing of the Issue, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material	All BRLMs	Axis
9.	Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to the designated Stock Exchanges.	All BRLMs	JM Financial
10.	Managing the book and finalization of pricing in consultation with the Company.	All BRLMs	Axis
11.	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Bank and other Bankers to the Issue, intimation of allocation and dispatch of refund to Bidders, etc. Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Company about the closure of the Issue, 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 co-ordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax and co-ordination with SEBI for refund of 1% security deposit. and submission final post Issue report to SEBI.	All BRLMs	JM Financial

Filing

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

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act will be filed with the RoC and a copy of the Prospectus will be filed under Section 26 of the Companies Act with the RoC at its office. For details of the address, see "- *Address of the RoC*" on page 61.

Book Building Process

Book Building Process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and the minimum Bid Lot. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLMs and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and regional editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date. For details, see "*Issue Procedure*" on page 324.

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

In 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 the number of Equity Shares or the Bid Amount) at any stage. RIBs bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion (subject to their Bid Amount being up to ₹ 500,000) and Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Further, Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, allocation in the Issue will be on a proportionate basis. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors will be on a discretionary basis. Additionally, allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non – Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

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

For further details, see "*Terms of the Issue*" "*Issue Structure*" and "*Issue Procedure*" on pages 315, 320 and 324, respectively.

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

For further details on the method and procedure for Bidding, see "*Issue Structure*" and "*Issue Procedure*" on pages 320 and 324, respectively.

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

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure*" on page 324.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriter(s) for the Equity Shares proposed to be issued in the Issue. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriter(s) will be several and will be subject to certain conditions specified therein.

The Underwriter(s) have indicated their intention to underwrite the following number of Equity Shares pursuant to the Underwriting Agreement:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after the Issue Price is determined and allocation of Equity Shares in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

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

Allocation among the Underwriter(s) may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(in ₹, except share data)

S. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Issue Price*
A.	**AUTHORIZED SHARE CAPITAL**(1)		
	85,000,000 Equity Shares having face value of ₹10 each	850,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	52,866,000 Equity Shares having face value of ₹ 10 each	528,660,000	-
C.	**PRESENT ISSUE#**		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 7,400.00 million (2)	[●]	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares aggregating upto ₹ [●] million (3)		
	Shareholder Reservation Portion of up to [●] Equity Shares aggregating upto ₹ [●] million(4)		
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares having face value of ₹10 each (assuming full subscription in the Issue)	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		465,718,000
	After the Issue		[●]

* *To be updated upon finalisation of the Issue Price*

\# *Our Company, in consultation with the BRLMs, may consider the Pre-IPO Placement aggregating up ₹ 1,480 million. If the Pre-IPO Placement is undertaken, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●] % of the post-Issue paid-up Equity Share capital of our Company.*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the MoA" on page 180.*

(2) *The Issue has been authorised by our Board of Directors at their meetings dated December 13, 2022 and by our Shareholders at their meeting dated December 14, 2022.*

(3) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the 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, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Our Company in consultation with the BRLMs, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date.*

(4) *The Shareholder Reservation Portion shall not exceed 10% of the Issue size. The unsubscribed portion, if any, in the Shareholder Reservation Portion, shall be added to the Net Issue. For further details, see "Issue Structure" on page 320. Our Company in consultation with the BRLMs, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Cyient Shareholder(s) Bidding in the Shareholder Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date.*

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) ***Equity Share capital***

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Name of allottees/ shareholders
July 1, 1993	Allotment pursuant to subscription	Cash	20	20	100	100	Allotment of 10 equity shares to R Vasu and 10 equity shares to N Narendra (as

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Name of allottees/ shareholders
	to the Memorandum of Association						subscribers to the Memorandum of Association)
October 5, 1996	Further Allotment	Cash	4,570	4,590	100	100	Allotment of 763 equity shares to R Guru, 499 equity shares to R Vasu, 763 equity shares to Pavan Ranga, 764 equity shares to Arjun Ranga, 763 equity shares to Anirudh Ranga, 509 equity shares to Kiran Ranga and 509 equity shares to Vishnu Ranga
February 10, 1999	Further Allotment*	Cash*	5,410	10,000	100	100	Allotment of 1804 equity shares to R Guru, 1803 equity shares to R Vasu and 1803 equity shares to Arjun Ranga
September 20, 2002	Further Allotment*	Cash*	525	10,525	100	100	Allotment of 525 equity shares to R Sridhar
December 22, 2003	Further Allotment	Cash^	475	11,000	100	2,000	Allotment of 475 equity shares to R Sridhar
	Further Allotment	Cash^	9,000	20,000	100	100	Allotment of 2,033 equity shares to R Guru, 2,328 equity shares to Pavan Ranga, 2,319 equity shares to Arjun Ranga and 2,320 equity shares to Anirudh Ranga
March 28, 2006	Further Allotment^	Cash^	40	20,040	100	100	Allotment of 20 equity shares to Anirudh Ranga and 20 equity shares to Arjun Ranga
	Further Allotment	Cash	1,060	21,100	100	2,050	Allotment of 530 equity shares to Kiran V Ranga and 530 equity shares to Vishnu V Ranga.
Pursuant to a Shareholder's resolution dated July 26, 2007, each of the equity share of face value of ₹ 100 of our Company, was sub-divided into Equity Share of face value ₹ 10 each							
July 27, 2007	Further Allotment	Cash	211,000	422,000	10	10	Allotment of 81,372 equity shares to Pavan Ranga, 43,464 Equity Shares to Arjun Ranga, 43,464 Equity Shares to Anirudh Ranga, 15,800 Equity Shares to Kiran V Ranga, 15,800 Equity Shares to Vishnu V Ranga and 11,100 Equity Shares to R Sridhar
August 30, 2008	Further Allotment	Other than Cash	785,000	1,207,000	10	10	Allotment of 172,356 Equity Shares to Arjun Ranga, 172,356 Equity Shares to Anirudh Ranga, 322,541 Equity Shares to Pavan Ranga, 39,249 Equity Shares to Kiran V Ranga, 39,249 Equity Shares to Vishnu Ranga and 39,249 Equity Shares to R Sridhar, pursuant to the amalgamation of Rangsons Electronics Solution Private Limited and Vasu Comtec Private Limited with our Company.
December 9, 2010	Further Allotment	Cash^	160,000	1,367,000	10	125	Allotment of 35,131 Equity Shares to Arjun Ranga,

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Name of allottees/ shareholders
							35,131 Equity Shares to Anirudh Ranga, 65,738 Equity Shares to Pavan Ranga, 8,000 Equity Shares to Kiran V Ranga, 8,000 Equity Shares to Vishnudas Ranga and 8,000 Equity Shares to R Sridhar.
September 9, 2022	Rights Issue	Cash	1,570,000	2,937,000	10	566	Allotment to Cyient Limited
December 27, 2022	Bonus Issue	NA	49,929,000	52,866,000	10	NA	Allotment to Cyient Limited pursuant to bonus issue of Equity Shares in the ratio of 17 Equity Shares for every one Equity Share held by such holders of Equity Shares

* *Certain corporate and secretarial records of our Company, including Roc filings, are not traceable by our Company, or with the RoC, in connection with the allotment of equity shares dated February 10, 1999 and September 20, 2002. Accordingly, we have relied on the other corporate records maintained by our Company such as statutory registers and the minutes of meetings of the Board (to the extent available) to ascertain the information sought from the missing corporate records. For further details, see "Risk Factors – Some of our corporate records, including those relating to allotments of our equity shares in the past, are not traceable" on page. 45. Accordingly, certain details in relation to the allotments made during this period, including the list of allottees, cannot be ascertained.*

^ *The equity shares were allotted pursuant to conversion of unsecured loans provided by the respective shareholders to our Company.*

Class Equity Shares

Date of allotment	Nature of allotment	Nature of consideration	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholder
June 8, 2007	Further Allotment	Other than Cash	78,500	100	1,000	Allotment of 75,000 Class Equity Shares to Rangsons Electronics Solutions Private Limited and 3,500 equity shares to Vasu Comtech Private Limited
Pursuant to order dated June 12, 2008 of High Court of Karnataka, approving amalgamation of Rangsons Electronics Solutions Private Limited and Vasu Comtec Private Limited with our Company, 78,500 Class Equity Shares of face value of ₹ 100 were cancelled.						

Our Company does not have any Class Equity Shares as on the date of this Draft Red Herring Prospectus.

(b) ***Preference Share capital***

Date of allotment of Preference Shares	Nature of allotment	Nature of consideration	Number of Preference Shares	Face value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Name of allottees/ shareholders
October 5, 1996	Further Allotment	Cash	500	1,000	1,000	Allotment of 83 Preference Shares to R Guru, 56 Preference Shares to R Vasu, 83 Preference Shares to Pavan Ranga, 84 Preference Shares to Arjun Ranga, 83 Preference Shares to Anirudh Ranga, 56 Preference Shares to Kiran V Ranga and 55 Preference Shares to Vishnu V Ranga
February 10, 1999	Further Allotment*	Cash*	939	1,000	1,000	Allotment of 313 Preference Shares to R Guru, 312 Preference Shares to R Vasu and 314 Preference Shares to Arjun Ranga
December 22. 2003	Further Allotment	Cash^	100	1,000	1,675	Allotment of 100 Preference Shares to R Sridhar
	Further Allotment	Cash ^	461	1,000	1,000	Allotment of 64 Preference Shares to R Guru, 165 Preference Shares to Pavan Ranga, 116 Preference Shares to Arjun Ranga and 116 Preference Shares to Anirudh Ranga

Date of allotment of Preference Shares	Nature of allotment	Nature of consideration	Number of Preference Shares	Face value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Name of allottees/ shareholders
March 28, 2006	Further Allotment	Cash ^	4	1,000	1,000	Allotment of 2 Preference Shares to Arjun Ranga and 2 Preference Shares to Anirudh Ranga
	Further Allotment	Cash	106	1,000	1,000	Allotment of 53 Preference Shares to Kiran V Ranga and 53 Preference Shares to Vishnu V Ranga
July 17, 2007	Redemption of 2,110 Preference Shares of face value of ₹1,000.					

* *Certain corporate and secretarial records of our Company, including Roc filings, are not traceable by our Company, or with the RoC, in connection with the allotment of preference shares dated February 10, 1999. Accordingly, we have relied on the other corporate records maintained by our Company such as statutory registers and the minutes of meetings of the Board (to the extent available) to ascertain the information sought from the missing corporate records. For further details, see "Risk Factors – Some of our corporate records, including those relating to allotments of our equity shares in the past, are not traceable" on page. 45. Accordingly, certain details in relation to the allotments made during this period, including the list of allottees, cannot be ascertained.*

^ *The Preference Shares were allotted pursuant to conversion of unsecured loans provided by the respective shareholders to our Company.*

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

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

The Issue Price is ₹ [●]. For further details in relation to the issuances of Equity Shares in preceding one year, see " – *Notes to the Capital Structure – Share capital history of our Company*" on page 69.

3. **Issue of Equity Shares for consideration other than cash or out of revaluation of reserves (excluding bonus issuance)**

Our Company has not issued any Equity Shares out of the revaluation reserves, as on the date of this Draft Red Herring Prospectus.

Except as disclosed below, our Company has not issued Equity Shares for consideration other than cash:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
August 30, 2008	785,000	10	10	Allotment pursuant to amalgamation	Amalgamation of Rangsons Electronics Solutions Private Limited and Vasu Comtech Private Limited with our Company

* *For details on name of allottees, see " – Notes to the capital structure – Share capital history of our Company" on page 69.*

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

Except for the allotment of 785,000 equity shares of on August 30, 2008 as disclosed above in the "Notes to the Capital Structure – Share capital history of our Company" on page 69, our Company has not allotted any equity shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

5. **History of the Equity Share capital held by our Promoter**

As on the date of this Draft Red Herring Prospectus, our Promoter, together with its nominees, holds 52,866,000* Equity Shares equivalent to the entire issued, subscribed and paid-up Equity Share capital of our Company.

**Note: Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

(a) **Build-up of the shareholding of our Promoter in our Company**

The details regarding the Equity shareholding of our Promoter since the incorporation of our Company is set forth in the table below:

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue price per Equity Share (₹)	Percentage of the pre- Issue capital on a fully-diluted basis (%)	Percentage of the post-Issue capital (%)
Cyient Limited							
February 4, 2015	Transfer from Anirudh M Ranga	197,258	Cash	10	2,817.37	0.37	**[●]**
	Transfer from Arjun M Ranga	197,258	Cash	10	2,817.37	0.37	**[●]**
	Transfer from Kiran V Ranga	101,158	Cash	10	2,817.37	0.19	**[●]**
	Transfer from Pavan G Ranga	374,285	Cash	10	2,817.37	0.71	**[●]**
	Transfer from R Sridhar	40,463	Cash	10	2,817.37	0.08	**[●]**
	Transfer from Vishnu Ranga	101,158	Cash	10	2,817.37	0.19	**[●]**
February 15, 2019	Transfer from Anirudh M Ranga	69,307	Cash	10	1,195.77	0.13	**[●]**
	Transfer from Arjun M Ranga	69,307	Cash	10	1,195.77	0.13	**[●]**
	Transfer from Kiran V Ranga	35,542	Cash	10	1,195.77	0.07	**[●]**
	Transfer from Pavan G Ranga	131,504	Cash	10	1,195.77	0.25	**[●]**
	Transfer from R Sridhar	14,217	Cash	10	1,195.77	0.03	**[●]**
	Transfer from Vishnu Ranga	35,542	Cash	10	1,195.77	0.07	**[●]**
	Transfer from Pavan G Ranga	1	Cash	10	1,196	0.00	**[●]**
September 9, 2022	Rights Issue	1,570,000	Cash	10	566	2.97	**[●]**
December 27, 2022	Bonus Issue	49,929,000	NA	10	NA	94.44	[●]
Total		**52,866,000***				**100.00**	**[●]**

* *Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

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

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged.

(b) ***Details of Promoter's contribution and lock-in:***

1. Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoter (assuming exercise of vested options, if any, under the ESOP Plan), shall be locked in for a period of 18 months as minimum Promoter's contribution from the date of Allotment ("**Promoter's Contribution**") and the shareholding of the Promoter in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of six months from the date of Allotment.

2. The details of the Equity Shares to be locked-in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth in the table below:

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

* *Subject to finalisation of the Basis of Allotment.*

Our Promoter has given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the post-Issue equity share capital of our Company as Promoters' Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

3. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "- History of the Equity Share capital held by our Promoters" on page 72.

4. In this connection, please note that:

   (a) The Equity Shares offered for Promoter's contribution do not include equity shares acquired in the three immediately preceding years (i) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (ii) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution;

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

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

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

   (e) All the Equity Shares held by the Promoter are held in dematerialised form.

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

1. In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by the Promoter locked in for 18 months as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment except for (i) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which will be allotted to them under the ESOP 2022; and (ii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

2. One half 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, while the remaining half of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment.

3. The Equity Shares held by any person other than our Promoter and locked-in for a period of six months from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

4. 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.

5. Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

   (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

   (b) With respect to the Equity Shares locked-in as Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.

   However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

   In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations. Further, the Equity Shares held by persons other than our Promoter prior to the Issue and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations, as applicable.

6. Shareholding Pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	1*	52,866,000	NIL	NIL	52,866,000	100.00	52,866,000	52,866,000	100.00	NIL	100.00	NIL	NIL	52,866,000	100.00	
(B)	Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
(C)	Non Promoter-Non Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
(C1)	Shares underlying depository receipts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
(C2)	Shares held by employee trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
	Total (A+B+C)	**1**	**52,866,000**	**NIL**	**NIL**	**52,866,000**	**100.00**	**52,866,000**	**52,866,000**	**100.00**	**NIL**	**100.00**	**NIL**	**NIL**	**52,866,000**	**100.00**	

* *Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

7. Details of Shareholding of the major Shareholders of our Company

(i) The major Equity Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)
1.	Cyient Limited*	52,866,000	100.00
Total		**52,866,000**	**100.00**

* *Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

(ii) The major Equity Shareholders who held 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis (%)
1.	Cyient Limited*	52,866,000	100.00
Total		**52,866,000**	**100.00**

* *Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

(iii) The major Equity Shareholders who held 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis (%)
1.	Cyient Limited*	1,367,000	100.00
Total		**1,367,000**	**100.00**

* *Includes one Equity Share held by Sudheendhra Putty as nominee of our Promoter.*

(iv) The major Equity Shareholders who held 1% or more of the paid-up share capital of our Company and the number of shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis (%)
1.	Cyient Limited*	1,367,000	100.00
Total		**1,367,000**	**100.00**

* *Includes one Equity Share held by Sudheendhra Putty as nominee of our Promoter.*

8. **Details of Equity Shares held by our Promoter, directors of our Promoter, and our Promoter Group**

The details of shareholding of our Promoter and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Issue number of Equity Shares	Percentage of the pre-Issue equity share capital (on a fully diluted basis) (%)	Post-Issue number of Equity Shares	Percentage of the post-Issue equity share capital (%)
1.	Cyient Limited*	52,866,000	100.00	[●]	[●]

* *Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal, Rajendra Velagapudi, Shrinivas Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

Ganesh Venkat Krishna Bodanapu and Rajendra Velagapudi being Directors of our Company hold 18 Equity Shares each as nominees of our Promoter.

The members of our Promoter Group and the directors of our Promoter except for Ganesh Venkat Krishna Bodanapu and Ajay Agarwal who holds 18 Equity Shares each as nominees of our Promoter, do not hold any Equity Shares of our Company.

For further details, see "*Our Promoter and Promoter Group*" on page 201.

9. **Employee Stock Options Schemes of our Company**

ESOP 2022

Our Company, pursuant to the resolutions passed by our Board on December 27, 2022 and our Shareholders on January 6, 2023 adopted the 'Cyient DLM Employee Stock Option Plan 2022' ("**ESOP 2022**"). As on the date of this Draft Red Herring Prospectus, no options have been granted under ESOP 2022. The ESOP 2022 was formulated to attract, retain and motivate the key talents by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The maximum number of employee stock options that can be granted under ESOP 2022 are 2,640,433 employee stock options with each option providing the Employee (as defined in the ESOP 2022) a right apply for one Equity Share upon vesting. The ESOP 2022 is in compliance with the SEBI SBEB Regulations.

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

11. There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares issued pursuant to the Issue will be fully paid-up at the time of Allotment.

12. Except as disclosed in " *– Notes to the Capital Structure – History of the Equity Share capital held by our Promoter – Build-up of the shareholding of our Promoter in our Company*" on page 72, none of our Promoter, our Directors or their relatives have sold or purchased any equity shares of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

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

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

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

16. Except for the allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP 2022 and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this DRHP until the listing of the Equity Shares on the BSE and NSE pursuant to the Issue or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be in the event there is a failure of the Issue.

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

18. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares pursuant to the Issue; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOP 2022.

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

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Funding incremental working capital requirements of our Company;

2. Funding capital expenditure of our Company;

3. Repayment/prepayment, in part or full, of certain of our borrowings;

4. Achieving inorganic growth through acquisitions; and

5. General corporate purposes.

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

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

The main objects clause and the objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to (i) to undertake our existing business activities; and (ii) undertake the activities for which the funds are being raised by us in the Fresh Issue and are proposed to be funded from the Net Proceeds.

Net Proceeds

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

S. No.	Particulars	Amount (in ₹ million)
1.	Gross Proceeds of the Issue[(1)]	7,400.00
2.	(Less) Estimated expenses in relation to the Issue[(2)(3)]	[●]
	Net Proceeds[(2)]	[●]

[(1)] *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under rule 19(2)(b) of the SCRR.*

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

[(3)] *For details, see "- Issue related expenses" on page 89.*

Requirement of Funds and Utilisation of Net Proceeds

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

Particulars	Amount (in ₹ million)
Funding incremental working capital requirements of our Company	2,910.90
Funding capital expenditure of our Company	435.72
Repayment/ prepayment, in part or full, of certain of our borrowings	1,541.32
Achieving inorganic growth through acquisitions [(1)]	740.00
General corporate purposes[(1)]	[●]
Total	[●]

[(1)] *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes and achieving inorganic growth through acquisitions and shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

Proposed deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals		
		2024	2025	2026
Funding incremental working capital requirements of our Company	2,910.90	2,230.39	680.51	0.00
Funding capital expenditure of our Company	435.72	181.95	145.49	108.28
Repayment/prepayment, in part or full, of certain of our borrowings	1,541.32	1,541.32	0.00	0.00

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals		
		2024	2025	2026
Achieving inorganic growth through acquisitions	740.00	Over a period of three Financial Years from the date of listing of the Equity Shares		
General corporate purposes[(1)]	[●]	[●]	[●]	[●]
Total[(1)]	**[●]**	**[●]**	**[●]**	**[●]**

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes and achieving inorganic growth through acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, current and valid quotations from vendors and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. Please see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. We have relied on the quotations received from third parties for estimation of the cost for our capital expenditure requirements and have not been independently appraised by a bank or a financial institution.*" on page 32. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy, competition, and other external factors such as changes in the business environment, market conditions, regulatory frameworks and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, deployment schedule and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. In the event that the estimated utilisation of the Net Proceeds in a Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes shall not exceed 25% of the gross proceeds of the Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

Details of the Objects

1. Funding incremental working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from various banks, inter-corporate loans and internal accruals. As on September 30, 2022 the outstanding amount under the fund based working capital facilities of our Company was ₹ 1,541.32 million and the outstanding amount under non-fund-based facilities availed by our Company, was ₹ 1,887.32 million. For details, see *"Financial Indebtedness"* beginning on page 290.

Our Company requires additional working capital for funding its incremental working capital requirements in Fiscals 2024 and 2025. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan.

Basis of estimation of incremental working capital requirement

Existing working capital

The details of our Company's composition of net current assets or working capital as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, derived from the Restated Summary Statement, are as under:

(₹ in million)

	Particulars	As at			
		September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
I.	**Current assets**				
A.	Inventories	3,953.29	2,695.62	1,554.47	2,225.77
B.	Trade receivables	1,507.61	1,523.25	2,263.83	545.85
C.	Other current assets[1]	634.89	482.03	269.14	447.08
	Total current assets (I)	**6,095.79**	**4,700.90**	**4,087.44**	**3,218.70**
II.	**Current liabilities**				

(₹ in million)

	Particulars	As at			
		September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
A.	Trade payables	2,507.14	1,924.85	1,900.25	1,048.57
B.	Other current liabilities[2]	1,819.23	1,330.51	1,308.03	1,548.87
	Total current liabilities (II)	**4,326.37**	**3,255.36**	**3,208.28**	**2,597.44**
III.	**Total working capital requirement[3] (III) = [(I) - (II)]**	**1,769.42**	**1,445.54**	**879.16**	**621.26**
IV.	**Funding pattern**				
A.	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	1,545.87	1,396.30	879.16	621.26
B.	Internal accruals or equity	223.55	49.24	0.00	0.00

** As certified by N B T and Co, Chartered Accountants by a certificate dated January 9, 2023.*

Notes:

1. Comprising of Other Current assets + Other financial assets.

2. Comprising of Other Current liabilities + (Lease liabilities + Other financial liabilities + Income tax liabilities (net) +Provision) under Current liabilities.

3. Excludes Cash and cash equivalents, Other bank balances, and Current borrowings.

Future working capital requirements

On the basis of the existing working capital requirements, management estimates and projected working capital requirements, our Board has, pursuant to its resolution dated January 9, 2023, approved the projected working capital requirements for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025 and the proposed funding of such working capital requirements, as set out below.

(₹ in million)

S. No	Particulars	For the financial year ending on		
		March 31, 2023	March 31, 2024	March 31, 2025
I.	**Current assets**			
A.	Inventories	3,356.38	3,819.21	4,774.01
B.	Trade receivables	1,726.60	2,266.94	2,833.68
C.	Other current assets	546.38	717.37	896.71
	Total current assets (I) excluding cash and bank balances	**5,629.36**	**6,803.52**	**8,504.40**
II.	**Current liabilities**			
A	Trade payables	2,125.71	2,497.18	2,937.85
B.	Other current liabilities	1,508.13	1,468.93	1,836.16
	Total current liabilities (II) excluding borrowings	**3,633.84**	**3,966.10**	**4,774.01**
III.	**Total working capital requirement (III) = (I) - (II)**	**1,995.52**	**2,837.42**	**3,730.39**
IV.	**Fund pattern**			
A.	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	1,545.87	0.00	0.00
B.	Internal accruals or equity	449.65	607.03	3,049.88
C.	Usage from Net Proceeds	0.00	2,230.39	680.51

** As certified by N B T and Co, Chartered Accountants by a certificate dated January 9, 2023.*

Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

Our Company proposes to utilize ₹ 2,910.90 million from the Net Proceeds towards funding our incremental working capital requirements. In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for the financial years ended on March 31, 2024 and March 31, 2025 will comprise of working capital facilities and internal accruals.

Key assumptions for working capital projections made by our Company:

Holding levels

The details of the holding levels (with days rounded to the nearest whole number) for the six months period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the

estimated holding levels (with days rounded to the nearest whole number) as projected for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025 are as under:

	Actuals				Projected		
Particulars	**No. of days for the financial year ended March 31, 2020**	**No. of days for the financial year ended March 31, 2021**	**No. of days for the financial year ended March 31, 2022**	**No. of days for the six months period ended September 30, 2022**	**No of days for the financial year ended March 31, 2023**	**No of days for the financial year ended March 31, 2024**	**No of days for the financial year ended March 31, 2025**
(a) Inventory (Days)	178	90	137	213	150	130	130
(b) Trade Receivables (Days)	44	132	77	81	77	77	77
(c) Other current Assets (Days)	36	16	24	34	24	24	24
(d) Trade payables (Days)	84	110	98	135	95	85	80
(e) Other current Liabilities (Days)	124	76	67	98	67	50	50

** As certified by N B T and Co, Chartered Accountants by a certificate dated January 9, 2023.*

Key Assumptions and Justification for Holding levels

The table below sets forth the key justifications for holding levels:

Particulars	**Assumptions and Justification**
Inventories	Inventory holding levels tend to be dependent upon customer and delivery schedules. Inventory levels in the financial year ended March 31, 2020 were higher due to higher inventory held for a major customer followed by supply chain constraints in the financial year ended March 31, 2022 and six months period ending September 30, 2022. Our Company expects easing of supply chain constrains to drive inventory days to 130 days moving forward.
Trade receivables	Holding levels of trade receivable for our Company varied between 44-81 days for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022 and six months period ending September 30, 2022 with an unusual year for financial year ended March 31, 2021 due to Covid-19. Our Company expects the trade receivables days to stay in the current range of 75-80 days moving forward and is hence assumed to be 77 days moving forward.
Other current assets	The key items under this head are advances to suppliers, balances with government authorities and prepaid expenses. Our Company expects other current assets to normalize at a three-year (financial years ended March 31, 2020, March 31, 2021 and March 31, 2022) average and hence is assumed to be 24 days moving forward.
Trade payables	Our Company's trade payables have varied between 84-134 days for the periods financial year ended March 31, 2020, financial year ended March 31, 2021, financial year ended March 31, 2022 and six months period ending September 30, 2022. Our Company expect the trade payables days to stay in the current range of 80-95 days due to improvement in credit efficiency moving forward and hence assumed to be 95, 85 and 80 days for the financial year ended March 31, 2023, financial year ended March 31, 2024 and financial year ended March 31, 2025, respectively.
Other current liabilities	The key items under this head are advances from customers and income tax liabilities apart from other miscellaneous current liabilities. Other current liabilities' days were higher due to a few customer specific advances in the financial year ended March 31, 2020, financial year ended March 31, 2021 and financial year ended March 31, 2022. Our Company does not expect higher customer advances and hence see other current liabilities drop to 50 days in the future. It is assumed to be 67, 50 and 50 days for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025, respectively

** As certified by N B T and Co, Chartered Accountants by a certificate dated January 9, 2023.*

2. Funding capital expenditure requirements of our Company

As on the date of this Draft Red Herring Prospectus, our manufacturing infrastructure comprises three facilities spread across two states in India, at Mysuru, Hyderabad and Bengaluru, with a total manufacturing area of 229,061 sq. ft. We intend to continue to strengthen our capabilities across the focus industries by continuing to strengthen and expand our existing relationships with our current clients and by acquiring more strategic clients across our focus industries. We believe we are well-positioned to further augment our core capabilities and build scale by taking advantage of potential moves from global players looking to localise and leverage cost advantages by setting up manufacturing facilities in India under various government schemes, as well as of the growing complexity in product design and development

such as miniaturisation of products. We also seek to build scale and undertake strategic projects to augment our order book, including by leveraging opportunities across the product value chain. For further details, see "*Our Business – Our Strategies*" on page 158.

We aim to continue investing in existing manufacturing equipment and technologies to build new capabilities to support the production of our portfolio of products. As part of such investment, we will incur expenditure towards the purchase of various types of equipment such as (i) automated component assembly equipment; (ii) inspection equipment; (iii) soldering equipment; (iv) testing equipment; (v) cleaning equipment; (vi) product coating equipment and (vii) assembly line support equipment. For further details, see "*Our Business – Our Strategies*" on page 158.

Accordingly, our Company has identified the plant and machinery to be purchased and obtained quotations from respective vendors and is yet to place any orders or enter into any definitive agreements for such plant and machinery. No second-hand or used machinery are proposed to be purchased out of the Net Proceeds. The amount to be spent and plant and machinery to be procured by our Company will depend upon business requirements and technology advancement. Our Company intends to utilise ₹ 435.72 million from the Net Proceeds to purchase such plant and machinery. The details and total estimated cost towards purchasing plant and machinery for the capital expenditure are set forth in the table below.

Detailed break-up of capital expenditure requirements

S. No.	Location/Facility	Description of equipment	Purpose of equipment	Quantity/ Lot/ Set	Amount (₹ in million)[2][3]	Name of the vendors	Date of quotations	Period of Validity
1.	Hyderabad	Nutek Board handling equipment	Loading and conveyor belt equipment to feed parts into assembly line.	1	6.71[1][2]	Maxim SMT Technologies Private Limited	December 13, 2022	10 months.
		MV-6 OMNI 3D AOI System	Automated optical inspection equipment to inspect the assembly of components.	3	30.34[1][2]	Accurex Solutions Private Limited	December 28, 2022	10 months.
		Ersa VERSAFlow 3/35	Automatic through hole component soldering machine, for soldering of selected components	1	14.30[1][2]	Kurtz Ersa India – Smart Production Technologies Private Limited	December 13, 2022	Upto October 7, 2023
		Ersa POWERFLOW Pro	Automatic wave soldering machine.	1	17.48[1][2]	Kurtz Ersa India – Smart Production Technologies Private Limited	December 13, 2022	Upto October 7, 2023
		'FUJI'- Flexible Placer	Surface mounting technology (SMT) machine to assemble components.	1	81.62[1][2][4]	NMTronics (India) Private Limited	December 13, 2022	10 months.
		Next Generation Pilot-V8	Equipment to test printed circuit board assembly for component placement and functionality.	1	40.45[1][2]	Hethig Technologies Private Limited	November 24, 2022	10 months.
		ITW EAE Inline PCBA Cleaning System	Equipment to clean assembled printed circuit boards.	1	25.95[1][2][4]	NMTronics (India) Private Limited	December 13, 2022	10 months.
		Koh Young Inline 3D Soldier Paste Inspection System	Solder paste inspection machine used for inspection in the assembly line.	1	6.27[1][2][4]	NMTronics (India) Private Limited	December 13, 2022	10 months.
		Vitronics Soltec Centurion Reflow Oven	Surface mounting technology (SMT) component soldering equipment.	1	9.14[1][2]	Maxim SMT Technologies Private Limited	December 13, 2022	10 months.
		Conformal Coating System	Automated printed circuit board coating machine.	1	9.15[1][2]	PCI Autotronics Private Limited	December 28, 2022	10 months.
		TRI Automated Inline 3D X-Ray	Automated machine to scan and verify the component soldering.	1	31.79[2]	Test and Research India Private Limited	December 13, 2022	10 months.

S. No.	Location/Facility	Description of equipment	Purpose of equipment	Quantity/ Lot/ Set	Amount (₹ in million)[2][3]	Name of the vendors	Date of quotations	Period of Validity
		EKRA SERIO Printing Systems	Solder paste printing machine used in the surface mounted device (SMD) assembly.	2	17.21[2]	Asys Group Asia Pe Limited	December 12, 2022	Till end of October 2023.
		HASS Chamber	Thermal stress testing equipment.	1	18.39[1][2]	MEL Systems and Services Limited	December 15, 2022	10 months.
		Teradyne TestStation LH/LHS Test System	PCBA in-circuit testing equipment.	1	28.86[2]	Maxim SMT Technologies Private Limited	December 30, 2022	300 days.
		Electrical Interconnect Analyser	Complex cable testing machine.	1	7.77[1][2]	MEL Systems and Services Limited	December 15, 2022	10 months.
		WC Temperature/Humidity Test Chamber	Thermal cycle testing chamber with humidity control.	1	10.09[1][2]	Weiss Technik North America, Inc.	December 15, 2022	300 calendar days.
			Total estimated cost (1)		**355.52**			
2.	Mysuru	QuadraNT X-ray Tube	X-ray machine to scan and verify the soldering of components.	1	32.33[1][2]	Accurex Solutions Private Limited	December 28, 2022	10 months.
		Getech Standalone Routing Machine	Depanelizing equipment to separate arrays of printed circuit boards into individual parts.	1	6.93[1][2]	Maxim SMT Technologies Private Limited	December 13, 2022	10 months.
		Conformal Coating System	Automated printed circuit board coating machine.	1	9.15[1][2]	PCI Autotronics Private Limited	December 28, 2022	10 months.
		TRI Automated Inline 3D X-Ray	Automated machine to scan and verify the component soldering.	1	31.79[2]	Test and Research India Private Limited	December 13, 2022	10 months.
			Total estimated cost (2)		**80.20**			
			Total (1+2)		**435.72**			

[1] *The amount included in the quotation may be subject to price revisions, basis inter alia prevailing market conditions. In case of an increase in quoted amount due to a price revision, we will bear the difference out of internal accruals.*

[2] *The amount included in the quotation does not include certain additional charges, inter alia taxes, freight, insurance, transportation, duties and levies which may be payable by our Company under applicable law. We will bear the cost of such additional charges, as applicable, out of our internal accruals.*

[3] *The quotations for certain equipment are in foreign currencies such as USD, Euro, JPY and SGD. Conversion rates as of December 14, 2022: (a) USD 1.00 = INR 82.57;(b) EUR 1.00 = INR 87.76; (c) JPY 1.00 = INR 0.6091; (d) SGD 1.00 = INR 61.25. (Source: https://fbil.org.in/, https://www.xe.com/)*

[4] *The amount included in the quotation includes 'delivered duty unpaid'(DDU) charges, which refers to the charges payable for transporting the machinery to a port nearest to our Company.*

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we are yet to place any orders for the total capital expenditure. We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment in relation to the capital expenditure or such other equipment as may be considered appropriate, according to the business or engineering requirements of such facilities, subject to the total amount to be utilized towards purchase of such equipment not exceeding ₹ 435.72 million. See, "*Risk Factors – We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by a bank or a financial institution.*" on page 32.

3. Repayment/ prepayment, in part or full, of certain of our borrowings

Our Company has entered into various financial arrangements with banks, financial institutions and other entities. The loan facilities entered into by our Company include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, including indicative terms and conditions, see *"Financial Indebtedness"* on page 290. As on September 30, 2022 the aggregate outstanding borrowings of our Company is ₹ 3,081.50 million.

Our Company proposes to utilise an estimated amount of ₹ 1,541.32 million from the Net Proceeds towards repayment/ prepayment, in part or full, of all or a portion of certain borrowings availed by our Company. The repayment/ prepayment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt-equity ratio and enable utilisation of funds from our internal accruals for further investment in business growth and expansion. In addition, we believe that this will enable us to raise further resources at competitive rates and additional funds / capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. Further, our Company shall pay the prepayment charges, if any, on the loans identified below, out of the portion of Net Proceeds available for repayment/ prepayment, in part or full, of all or a portion of certain borrowings.

Owing to nature of our business, we may avail additional facilities or repay certain instalments of our borrowings after the filing of the Draft Red Herring Prospectus. Accordingly, our Company may choose to repay/ prepay certain borrowings availed by our Company, other than those identified in the table below, which may include such additional borrowings, and the details herein shall be suitably updated in the Red Herring Prospectus to reflect the revised amounts or loans, as the case may be, which have been availed by us. Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. Further, 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. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of borrowings (including refinanced or additional borrowings availed, if any, or otherwise), in part or in full, would not exceed ₹ 1,541.32 million.

The following table sets forth details of certain borrowings availed by our Company, which are outstanding as on September 30, 2022 out of which our Company may repay/prepay, all or a portion of, any or all of the borrowings, from the Net Proceeds:

Sr. No.	Name of the lender*	Nature of borrowing*	Amount sanctioned*	Amount outstanding as on September 30, 2022*	Applicable rate of interest as on September 30, 2022*	Tenor/Repayment Schedule	Purpose*	Prepayment penalty/ conditions
			(in ₹ million unless otherwise mentioned)					
1.	HDFC Bank Limited	Working capital demand loan	1,270	330.00	6.90% to 7.27%	Maximum of 180 days	Working Capital	N.A.
		Packing credit facility loan		194.34	4.15% - 4.60%			

Sr. No.	Name of the lender*	Nature of borrowing*	Amount sanctioned*	Amount outstanding as on September 30, 2022*	Applicable rate of interest as on September 30, 2022*	Tenor/Repayment Schedule	Purpose*	Prepayment penalty/ conditions
			(in ₹ million unless otherwise mentioned)					
2.	State Bank of India	Working Capital Demand Loan	800	241.42	7.20%	Maximum of 90 days	Working Capital	Prepayment premium of 2% of the amount prepaid
		Cash Credit		0.56	7.6%	Maximum of 365 days		
3.	The Federal Bank	Working Capital Demand Loan	600	525.00	6.90% – 7.40%	7 days – 180 days	Working Capital	N.A.
4.	Axis Bank Limited	Working Capital Demand Loan	300	250.00	5.80% – 6.88%	7 days – 180 days	Working Capital	Prepayment premium of 2% of the amount prepaid
	Total		**2,970**	**1,541.32**				

For details on the borrowings, see "Financial Indebtedness" on page 290.

* *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.*

The selection of borrowings proposed to be repaid/ prepaid out of the borrowings provided above, which has been approved pursuant to a resolution passed by our Board on January 9, 2023, shall be based on various factors including (i) cost of the borrowings to our Company, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, prior to completion of the Issue (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds of the Issue.

We also propose to repay/prepay certain working capital facilities availed by our Company from Axis Bank Limited from the Net Proceeds. While Axis Bank Limited is an affiliate of Axis Capital Limited, one of the BRLMs, it is not an associate of our Company in terms of the SEBI Merchant Bankers Regulations and such loans and facilities sanctioned to our Company by Axis Bank Limited, have been sanctioned to our Company as part of the normal commercial lending activity by Axis Bank Limited. Accordingly, there is no conflict of interest under the SEBI Merchant Bankers Regulations, as amended, or any other applicable SEBI rules or regulations. For details, see "*Risk Factors – A portion of the Net Proceeds may be utilised for repayment or prepayment of certain working capital facilities availed by our Company from Axis Bank Limited, which is an affiliate of Axis Capital Limited, one of the BRLMs.*" on page 47.

There has been no instance of delays, defaults and rescheduling/restructuring of the aforementioned borrowings of our Company.

4. Achieving inorganic growth through acquisitions

We believe that our Promoter has benefited significantly from the acquisitions undertaken by itself or through its subsidiaries in the past. We intend to leverage the capabilities of our Promoter and its subsidiaries to achieve inorganic growth through acquisitions. The table below summarizes the key acquisitions that our Promoter and its subsidiaries have undertaken in the past from their internal accruals:

Financial Year of acquisition	Name of acquired entity	Name of acquiring entity	Consideration for acquisition	Nature of acquisition	Acquisition rationale
2021	Integrated Global Partners Pty Ltd	Cyient Australia Pty Ltd	AUD 11.63 million[#]	Acquisition of 100% of the share capital of the acquired entity,	To accelerate mining strategy and gain access to global mining industry.

Financial Year of acquisition	Name of acquired entity	Name of acquiring entity	Consideration for acquisition	Nature of acquisition	Acquisition rationale
				through a share purchase agreement.	
2022	Work Force Delta Pty Ltd	Cyient Australia Pty Ltd	AUD 3.84 million[#]	Acquisition of 100% of the share capital of the acquired entity, through a share purchase agreement.	To expand on front-end consulting capabilities.
2023	Grit Consulting Pte. Ltd.	Cyient Singapore Private Limited	SGD 25 million[#]	Acquisition of 100% of the share capital of the acquired entity, through a share purchase agreement.	To strengthen consulting capabilities and expansion of footprint in mining industry.
2023	Celfinet - Consultoria Em Telecomunicaceos, S.A.	Cyient Europe Limited	EUR 23.94 million[#]	Acquisition of 100% of the share capital of the acquired entity, through a share purchase agreement.	To strengthen presence in Europe and strengthen wireless engineering practice.
2023	Sentiec Oyj	Cyient Europe Limited	EUR 71.16 million[#]	Acquisition of 100% of the share capital of the acquired entity, through a share purchase agreement.	To strengthen presence in Europe.
	Citec Engineering India Private Limited ("**Citec India**")	Cyient Limited		Acquisition of 100% of the share capital of the acquired entity, through a share purchase agreement.	
2023	Klaus IT Solutions Private Limited	Cyient Limited	₹850.00	Transfer of business undertaking of the acquired entity, on a slump sale basis through business transfer agreement.	To acquire manpower.

Includes the up-front cash consideration paid for the acquisition and does not include any future earn-outs payable on achievement of certain targets or any adjustment amounts.

We intend to expand our geographical footprint, including by way of inorganic expansion in key geographies, particularly North America. By creating a presence in the North American region, we aim to build greater geographical proximity with some of our key clients. This will allow us to build on our existing relationships with them and also allow us to work on more strategic projects with our clients in the key industry sectors we cater to, which require closer geographical proximity. We also seek to benefit from the local ecosystem in the North American region. For further details, see "*Our Business – Our Strategies*" on page 158. Accordingly, we believe that inorganic acquisitions and investments made by our Company in furtherance of the factors set out above, will fit in our strategic business objectives and growth strategies.

We intend to utilise ₹ 740.00 million from the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of next three Financial Years from the date of listing of the Equity Shares. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

The amount of Net Proceeds to be used for each individual acquisition and/or investments will be based on our management's decision and may not be the total value or cost of any such investments but is expected to provide us with sufficient financial leverage to pursue such investments. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or whether these will be in the nature of asset or technology acquisitions or joint ventures.

Rationale for acquisitions in future

Some of the selection criteria that we may consider when evaluating strategic acquisitions include: (a) the scale of revenue generated; (b) profits margins; (c) cash generation; (d) customer profile; (e) geographic locations and (f)

management profile, of the target company and whether target company is a strategic fit in terms of services and products delivered.

Acquisition process

The typical framework and process followed by our Promoter or its subsidiaries for acquisitions involves identifying the strategic acquisitions based on the criteria set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, our Promoter enters into definitive agreements to acquire the target based on the approval of their Board and the shareholders, if required. We intend to follow the typical framework and process followed by our Promoter or its subsidiaries for strategic acquisitions and investments. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives for the object set out above.

Further, in accordance with the SEBI Listing Regulations, our Company will disclose to the Stock Exchanges, details of acquisition such as cost of acquisition and nature of acquisition, as and when acquired. We undertake that acquisition proposed to be undertaken from the Net Proceeds of the Issue shall not be acquired from the Promoter, Promoter Group entities, Group Companies, affiliates or any other related parties.

5. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and business requirements of our Company, subject to such amount not exceeding 25% of the gross proceeds of the Issue, in compliance with the SEBI ICDR Regulations. Further, the amount utilised for achieving inorganic growth through acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds in accordance with Regulation 7(3) of the ICDR Regulations, out of which the amounts to utilised towards each of (i) general corporate purposes, or (ii) achieving inorganic growth through acquisitions, will not exceed 25% of the Gross Proceeds of the Fresh Issue. Such general corporate purposes may include, but are not restricted to, (i) wages, salaries, rental, marketing and administrative expenses, duties and taxes; (ii) business development expenses; (iii) research and development expenses; (iv) investments in accordance with the investment policy of our Company, and (v) meeting exigencies and expenses and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, incurred by our Company in the ordinary course of business, as may be applicable. Further, this portion of Net Proceeds may also be utilised to meet the shortfall in the Net Proceeds for the Objects set out above.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and other applicable laws. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time

Means of Finance

We propose to fund the requirements of the Objects detailed above from the Net Proceeds. Accordingly, we confirm that there is no requirement to make 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 identifiable internal accruals.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of the Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Issue, Escrow Collection Bank to the Issue and Sponsor Bank(s), including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up for the estimated Issue expenses is as follows:

Activity	Estimated expenses[(1)] (in ₹ million)	As a % of total estimated Issue expenses[(1)]	As a % of the total Issue size[(1)]
BRLMs fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]

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

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

(2) Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders Eligible Employees Bidding in the Employee Reservation Portion and Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion which are directly procured by the SCSBs, would be as follows:

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

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

(3) 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.

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

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

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] per valid Bid cum Application (plus applicable taxes)*
*Portion for Eligible Cyient Shareholders**	*₹[●] per valid Bid cum Application (plus applicable taxes)*

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

(6) Selling commission on the portion for RIBs, Eligible Employees, Eligible Cyient Shareholders and Non-Institutional Bidders (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

Portion for RIBs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]%of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employees	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Cyient Shareholders	*[●]% of the Amount Allotted* (plus applicable taxes)*

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

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

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

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

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

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees***	*₹[●] per valid Bid cum Application (plus applicable taxes)*
*Portion for Eligible Cyient Shareholders**	*₹[●] per valid Bid cum Application (plus applicable taxes)*

** Based on valid applications*

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

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

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

(11) Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 500,000 and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 500,000 will not be eligible for brokerage.

Interim use of Net Proceeds

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

Bridge Loans

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

Monitoring of Utilisation of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. 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 and continue to disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly results. As our Company intends to utilize a portion of the Net Proceeds towards potential acquisitions and strategic initiatives, details pertaining to which, as and when the investment is undertaken, will be published on the website of our Company and will be disclosed to the Stock Exchanges in accordance with Regulation 30 and Part A of Schedule III, of the SEBI Listing Regulations.

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 application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with Regulation 32 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 utilisation of the Net Proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

Variation in Objects of the Issue

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects unless our Company is authorized to do so by way of a special resolution of its Shareholders and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. The notice shall simultaneously be published in the newspapers, one in English and one in Telugu, the vernacular language of the jurisdiction where our Registered Office is situated. The Promoter will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Appraising Agency

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

Other Confirmations

None of our Promoter, Directors, Group Companies, Key Managerial Personnel or members of our Promoter Group will receive any portion of the Net Proceeds. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoter, the Directors, the Group Companies, the Key Managerial Personnel or members of the Promoter Group in relation to the utilisation of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

Further, pursuant to the Issue, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoter, member of our Promoter Group, Group Companies and associates of our Company, as applicable, shall receive any part of the Net Proceeds, directly or indirectly.

BASIS FOR ISSUE PRICE

Price Band and the Issue Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see "*Risk Factors*", "*Summary of Financial Information*", "*Our Business*", "*Restated Summary Statement*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 57, 151, 210, and 266, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Ability to provide integrated engineering solutions with strong capabilities across the product value chain;
- High entry barriers for our competitors due to our technical expertise, capabilities in safety-critical electronics in highly regulated industries and customer engagement;
- Robust and industry leading order book with marquee customers, with whom we enjoy sustained and long-standing relationships as their preferred partner;
- World class manufacturing infrastructure, stringent quality, diverse in-house capabilities and robust supply chain, enabling us to provide high quality end-to end integrated solutions to our customers;
- Strong parentage of our Promoter, Cyient Limited, and a long history of industry expertise, an experienced Board and senior management team.

For details, see "*Our Business – Our Strengths*" on page 154.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Summary Statement.

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

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹10):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2022	16.17	16.17	3
March 31, 2021	4.80	4.80	2
March 31, 2020	(2.72)	(2.72)	1
Weighted Average [(5)]	**9.23**	**9.23**	
Six months period ended September 30, 2022*	4.61	4.61	

* *Not annualized*

Notes:

1. *Basic and diluted earnings per share (EPS)= Restated profit for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period.*
2. *Earnings Per Equity Share (Basic and Diluted) are computed in accordance with Ind AS 33 - Earnings Per Share notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).*
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.*
4. *The weighted average number of Equity Shares outstanding during the years are adjusted for the bonus issue.*
5. *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.*

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for year ended March 31, 2022	**[●]***	**[●]***
Based on diluted EPS for year ended March 31, 2022	**[●]***	**[●]***

**To be computed after finalization of the Price Band.*

C. Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	84.58
Lowest	23.14

Particulars	P/E Ratio
Industry Composite	53.34

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For details, see "– Comparison with Listed Industry Peers" on page 98.

(2) The industry P/E ratio mentioned above is as on financial year ended March 31, 2022.

D. Return on Net worth ("RoNW")

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2022	51.61%	3
March 31, 2021	31.38%	2
March 31, 2020	(26.08%)	1
Weighted Average	**31.92%**	
Six months period ended September 30, 2022*	7.48%	[●]

* *Not annualized*

Notes:

1. *Return on net worth %= Restated profit for the year/period attributable to equity shareholders of the Company divided by net worth of the Company as at the end of the year/period.*
2. *Net worth = Aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from the Restated Summary Statement, but does not include reserves created out of revaluation of assets and write- back of depreciation.*
3. *Weighted average=Aggregate of year-wise weighted RoNW divided by the aggregate of weights (RoNW x Weight) for each year/Total of weights.*

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

Particulars	Amount (₹)
As on March 31, 2022	31.34
As on September 30, 2022	61.66
After the completion of the Issue	
- At the Floor Price	[●]
- At the Cap Price	[●]
Issue Price	[●]

Notes:

1. *Net assets value per share = Net asset value per share is calculated by dividing net worth by weighted average number of equity shares outstanding at the end of the year/period.*

F. Key Performance Indicators

The tables below set forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 9, 2023 and the Audit Committee has confirmed that verified and audited details (as certified by N B T and Co, Chartered Accountants by certificate dated January 9, 2023) of all the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by N B T and Co, Chartered Accountants, pursuant to certificate dated January 9, 2023.

A list of our KPIs for the six months period ended September 30, 2022 and the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 is set out below:

I. Financial KPIs

Particulars	As at and for the six months period ended September 30, 2022	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021	As at and for the financial year ended March 31, 2020
Revenue from operations[(1)] (₹ in million)	3,402.70	7,205.33	6,280.28	4,570.87
Revenue Growth[(2)] (year on year) (%)	N.A.	14.73%	37.40%	(4.87%)
Gross Profit[(3)] (₹ in million)	507.00	1,130.27	790.30	484.31
Gross Profit Margin[(4)] (in %)	14.90%	15.69%	12.58%	10.60%
EBITDA[(5)] (₹ in million)	352.35	840.40	459.44	137.32
EBITDA Margin[(6)] (in %)	10.36%	11.66%	7.32%	3.00%
EBIT (₹ in million) [(7)]	253.42	647.54	274.82	31.53
EBIT Margin (in %)[(8)]	7.45%	8.99%	4.38%	0.69%

Particulars	As at and for the six months period ended September 30, 2022	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021	As at and for the financial year ended March 31, 2020
Profit/(loss) before tax for [(9)] (₹ in million)	186.70	507.30	155.95	(72.16)
Profit/(loss) for the year/period[(10)] (₹ in million)	134.22	397.95	118.14	(67.04)
Profit/(loss) margin[(11)] (in %)	3.94%	5.52%	1.88%	(1.47)%
Asset Turnover ratio[(12)]	0.38[(16)]	1.01	1.01	0.86
Free cash flow[(13)] (₹ in million)	31.64	408.29	75.41	(667.40)
Total cash[(14)] (₹ in million)	1,267.94	1,218.08	341.76	661.45
Return on Capital Employed (ROCE)[(15)] (%)	6.28%[(16)]	17.56%	11.48%	3.29%

Notes:

(1) Revenue from operations is total revenue generated by our Company from the sale of good and rendering of services.

(2) Revenue growth represents the growth in revenue from operations for the year / period of our Company.

(3) Gross profit is calculated as revenue from operations minus cost of materials consumed, changes in inventories of finished goods and work-in-progress, and other direct costs.

(4) Gross profit margin is calculated as gross profit as a percentage of revenue from operations.

(5) EBITDA is calculated as profit/(loss) before tax minus other income plus finance costs, and depreciation and amortisation expense.

(6) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(7) EBIT is calculated as EBITDA minus depreciation and amortisation expenses.

(8) EBIT Margin is calculated as EBIT as a percentage of revenue from operations.

(9) Profit/(loss) before tax is calculated as total income minus total expenses of our company for the year/period.

(10) Profit/(loss) for the year/period is calculated as profit/(loss) before tax minus tax expense for the year/period.

(11) Profit/(loss) margin is calculated as profit/(loss) after tax as a percentage of revenue from operations.

(12) Asset Turnover ratio is calculated as Revenue from operations divided by average total assets.

(13) Free cash flow is calculated as net cash flow from operating activities less payment towards purchase of property, plant and equipment and intangibles, net of proceeds from sale of property, plant and equipment and intangible assets.

(14) Total cash is calculated as cash and cash equivalents plus other bank balances as at the end of year/period.

(15) Return on Capital Employed (ROCE) is calculated as (EBIT plus other income) divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current} and lease liabilities {current & non-current}.

(16) Asset turnover ratio and Return on Capital Employed (ROCE) for the six months period ending September 30, 2022 are not annualized.

II. Revenue and customer related KPIs

Particulars	As at and for the six months period ended September 30, 2022	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021	As at and for the financial year ended March 31, 2020
Number of customers[(1)*]	32	50	47	55
Number of new customers acquired[(2)*]	1	3	1	6
Customer concentration (Top 5) [(3)*](in %)	67.76	65.35	66.29	66.48
Customer concentration (Top 10) [(4)*](in %)	93.00	93.24	90.83	89.34
Order book[(5)](in ₹ million)	25,467.72	12,029.76	9,061.18	9,701.18
Days sales outstanding (DSO)[(6)] (in days)	81	77	132	44
Days payables outstanding[(7)] (in days)	135	98	110	84
Days of inventory outstanding[(8)] (in days)	213	137	90	178
Customer advance days[(9)]	75	57	66	103

Notes:

(1) Number of customers indicate the count of customers who contributed to revenue from operations for year / period.

(2) Number of new customers acquired indicates the count of new customers generating revenue for the first time in the respective year/period.

(3) Customer concentration (Top 5) % indicates total revenue from top five customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.

(4) Customer concentration (Top 10) % indicates total revenue from top ten customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.

(5) Order book (in ₹ million) indicates the executable work orders from our customers as the end of the year / period.

(6) Days sales outstanding (DSO) is calculated as trade receivables / revenue from operations multiplied by number of days for the year / period.

(7) Days payables outstanding is calculated as trade payables/ revenue from operations multiplied by number of days for the year / period.

(8) Days of inventory outstanding is calculated as inventory/revenue from operations multiplied by number of days for the year / period.

(9) Customer advance days is calculated as customer advances/ revenue from operations multiplied by number of days for the year / period.

** Customers include affiliates or group entities of our customers, as applicable.*

Break-up of industry-wise revenue from operations

(₹ in million, unless otherwise specified)

Industry	Six months ended September 30, 2022		Financial year ended March 31, 2022		Financial year ended March 31, 2021		Financial year ended March 31, 2020	
	Revenue from operations	% of Revenue from operations	Revenue from operations	% of Revenue from operations	Revenue from operations (₹ million)	% of Revenue from operations	Revenue from operations	% of Revenue from operations
Aerospace (I)	627.16	18.43	1,018.29	14.13	952.29	15.16	657.27	14.38
Defence (II)	1,327.99	39.03	3,371.25	46.79	2,638.96	42.02	2,105.38	46.06
Medical Technology (III)	608.04	17.87	1,615.56	22.42	1,853.22	29.51	864.84	18.92
Industrial (IV)	825.42	24.26	1,040.55	14.44	714.25	11.37	838.37	18.34
Others (V)	14.08	0.41	159.68	2.22	121.57	1.94	105.01	2.30
Revenue from operations (I+II+III+IV+V)	**3,402.70**	**100.00**	**7,205.33**	**100.00**	**6,280.28**	**100.00**	**4,570.87**	**100.00**

Note:

1. *The above table showcases the company's revenue distribution among the industries of Aerospace, Defence, Medical Technology, Industrial, and Others.*

For details of other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" on page 151.

G. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Summary Statement. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results, when taken collectively with financial measures prepared in accordance with Ind AS. For further details, please see "*Risk Factors – Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These Non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.*" on page 46.

Revenue from operations

Revenue from operations is total revenue generated by our company from the sale of goods and rendering of services. It represents the scale of the business of our Company.

Revenue growth

Revenue growth indicates performance of our Company over the previous year / period.

Gross Profit

Gross profit indicates how well our Company is able to generate profit using its resources.

Gross Profit Margin

This indicator assesses how efficiently our company generates profit from sales of goods and rendering of services. It

is calculated as gross profit as a percentage of revenue from operations.

EBITDA

It indicates the operational profitability of our Company before the depreciation and amortization expenses.

EBITDA Margin

This indicator assesses the operational efficiency of our company before the depreciation and amortization expenses calculated as EBITDA as a percentage of revenue from operations.

EBIT

It indicates the operation al profitability of our Company after the depreciation and amortization expenses.

EBIT Margin

This indicator assesses the operational efficiency of our company after the depreciation and amortization expenses calculated as EBIT as a percentage of revenue from operations.

Profit/(loss) before tax

It indicates the overall profitability of our Company after all the expenses excluding taxes.

Profit/(loss) for the year/period

This indicates the overall profitability of our Company after all the non-tax expenses and tax expenses.

Profit/(loss) margin

This indicator assesses the performance of profitability of our company over time.

Asset Turnover ratio

This indicator assesses the efficiency at which our company is able to deploy its assets to generate the revenue from operations.

Free Cash Flow

This indicates our company's ability to generate cash from operations after capital expenditure.

Total Cash

This represents liquid cash that is readily available for use.

Return of Capital Employed (ROCE)

This indicator assesses the return generated on the capital employed in our Company.

Number of customers

This indicator aids our Company in channelizing efforts on the strategic customers.

Numbers of new customers

This indicator assesses the efficiency of our Company's sales team in onboarding new customers.

Customer concentration (Top 5) %

This indicator aids our Company in taking customer centric business decisions.

Customer concentration (Top 10) %

This indicator aids our Company in taking customer centric business decisions.

Order book

This indicator provides our Company with the visibility and certainty of revenue in the near future.

Days sales outstanding (DSO)

This indicates the efficiency of our Company to convert revenue from operations into cash.

Days Payable Outstanding

This indicator provides number of days our Company takes to pay the trade payables for purchasing goods and services.

Days Inventory Outstanding

This indicator provides number of days our Company holds the inventory before turning it into revenue from operations.

Customer advance days

This indicator provides number of days our Company holds the customer advance before settling it against trade receivables.

Break-up of industry-wise revenue from operations

This indicator aids our company in managing the industry segment mix to achieve the desired diversification.

Comparison with Listed Industry Peers

There are no listed companies globally that are of comparable size from the same industry as that of our Company.

Name of Company	Face Value (₹ Per Share)	Closing price on January 6, 2023 (₹)	Total Income, for Fiscal 2022 (in ₹ million)	EPS (₹)		EV/EBITDA	P/E	NAV(₹ per share)	RONW (%)
				Basic	Diluted				
Cyient DLM Limited	10.00	NA	7,284.84	16.17	16.17	NA	NA	31.34	51.61%
Peer Group									
Syrma SGS Technology Ltd	10.00	270.40	12,843.68	5.25	5.17	34.38	52.30	42.36	12.65%
Kaynes Technology India Limited	10.00	755.30	7,103.54	9.70	8.93	48.62	84.58	43.12	20.54%
DCX Systems Limited	10.00	212.65	11,243.34	9.19	9.19	28.27	23.14	15.19	55.79%

Source:
** All the financial information for the Company above is sourced from the Restated Summary Statement. The Basic EPS, Diluted EPS, Net Worth and the number of equity shares as at and for the Financial Year ended March 31, 2022 have been adjusted to give effect to the consequent increase in share capital. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations.*
***Basic EPS, Diluted EPS, NAV, RONW and EBITDA for the industry peers mentioned above is on a consolidated basis except for Syrma SGS Technology Ltd. (which is sourced from Proforma Condensed Combined Financial Information) and is sourced from the respective Prospectus of the industry peers available on the website of SEBI.*

Notes:
1. *P/E Ratio: P/E Ratio has been computed based on the closing market price of equity shares on BSE on January 6, 2023 divided by the Diluted EPS.*
2. *EV/EBITDA: EV/EBITDA Ratio has been computed as Enterprise Value = i.e. (Closing market price of equity shares on BSE multiply number of outstanding shares) + total debts – cash divided by EBITDA.*
3. *Listed peers are as identified by the management and relied upon by us, based on the following reasoning:*
   a. *Similar to our Company, Kaynes Technology India Limited provides electronic manufacturing services to Aerospace, Defence, Medical, and Industrial industries.*
   b. *Similar to our Company, Syrma SGS Technology Limited provides electronic manufacturing services to Industrial and Medical industries.*
   c. *Similar to our Company, DCX Systems Limited provides electronic manufacturing services to Aerospace and Defence industries.*

H. Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Our Company has not issued any Equity Shares or convertible securities ("**Security(ies)**"), excluding Equity Shares issued under ESOP/ESOS and issuance of bonus Equity Shares, as applicable, during the 18 months preceding the date of this Draft 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-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.

I. Price per share of the Company based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoter, members of the Promoter Group, or the 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 Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s 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.

J. Since there are no such transactions to report under H and I, the details basis the last five primary issuances (excluding Equity Shares issued under ESOP/ESOP and issuance of bonus Equity Shares, as applicable) or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:

Date of allotment	No. of Equity Shares	Adjusted No. of Equity Shares[#]	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Adjusted Issue price per Equity Share[#] (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ Million)
Primary issuances								
September 9, 2022	1,570,000	28,260,000	10.00	566.00	31.44	Rights Issue	Cash	888.62
Weighted average cost of acquisition (WACA) (primary issuances)(₹ per Equity Share)								**31.44**
Secondary transactions								
None								
Weighted average cost of acquisition (WACA) (secondary transactions) (₹ per Equity Share)								**Not Applicable**

Number of Equity Shares and Issue price per Equity Share have been adjusted for corporate actions i.e. issue of equity shares pursuant to bonus issue dated December 27, 2022.

***** As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.*

K. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary Issuances/ Secondary Transactions as disclosed in paragraph J above, are set below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ [●]*)	Cap price (i.e. ₹ [●]*)
Weighted average cost of acquisition (WACA) of Primary issuances	31.44	[●]* times	[●]* times
Weighted average cost of acquisition (WACA) of Secondary transactions	Not Applicable	[●]* times	[●]* times

**To be updated at Prospectus.*

As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.

L. Justification for Basis of Issue price

1. ***The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the six month period ended September 30, 2022 and for the Financial Years 2022, 2021 and 2020***

   [●]

2. ***The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other***

shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*" and "*Restated Summary Statement*" beginning on pages 25, 151 and 210, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited),
3rd floor, Plot No. 11,
Software Units Layout,
Infocity, Hyderabad
Telangana - 500081

Dear Sirs,

Statement of Special Tax Benefits available to Cyient DLM Limited (formerly **known as Cyient DLM Private Limited) and its shareholders under the Indian tax laws**

1. We hereby confirm that the enclosed Annexure, prepared by Cyient DLM Limited (Formerly known as Cyient DLM Private Limited) ('the Company'), provides the special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2022, i.e. applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, as amended and presently in force in India (together, the "Direct Tax Laws"), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2022 applicable for the Financial Year 2022-23, Special Economic Zones Act, 2005 ('SEZ Act). Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No. 37/2015-20 dated 29th September 2022 (unless otherwise specified), read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws" and along with Direct Tax Laws, the "Tax Laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Initial Public Offer ("IPO") of equity shares of face value of Rs. 10 each of the Company (the "Issue").

3. We do not express any opinion or provide any assurance as to whether:
   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

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

5. This Statement is issued solely in connection with the proposed issue of the Company and is not to be used, referred to or distributed for any other purpose.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Shankar Srinivasan
Partner

UDIN: 23213271BGSEEG2338
Membership Number: 213271
Place of Signature: Hyderabad
Date: January 05, 2023

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – THE INCOME TAX ACT, 1961

Outlined below are the special tax benefits available to Cyient DLM Limited ('the Company') and its Shareholders under the Income Tax Act, 1961 ('the Act') as amended by the Finance Act, 2022 applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, as amended and presently in force in India (together, the "Direct Tax Laws").

I. Special tax benefits available to the Company

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2020-21 (i.e. Assessment Year 2021-22). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

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

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

In this regard, the Company has opted to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (25.168% along with surcharge and health and education cess) from Assessment year 2021-22.

Further, as per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

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

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. This Annexure is as per the Income-tax Act, 1961 as amended by the Finance Act, 2022 read with relevant rules, circulars and notifications applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India.

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

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

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

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

For Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

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Authorised Signatory

Place: Hyderabad
Date: January 05, 2023

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – INDIRECT TAXES

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2022 applicable for the Financial Year 2022-23, Special Economic Zones Act, 2005 ('SEZ Act), Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No. 37/2015-20 dated 29th September 2022 (unless otherwise specified), read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws").

Special tax benefits available to the Company

- Refund under Section 54(3) of the CGST Act, 2017 which provides for claim of input tax credit paid on inputs and input services used in manufacture of goods exported without payment of tax.

- Refund under Section 54(1) of the CGST Act, 2017 read with Rule 89 of the Central Goods and Services Tax Rules, 2017 ("CGST Rules, 2017") for deemed export supplies made or received under Notification No. 48/2017 dated 18 October 2017 as amended from time to time.

- The SEZ unit of the Company has availed exemption from the payment of Custom duties under relevant Customs notification and has also availed zero-rated benefit for procurement made under Section 16 of IGST Act respectively.

- The Export Oriented Unit ("EOU") of the Company has availed exemption from payment of Custom duties and IGST on imports made under Notification no. 52/2003 dated 31st March 2003 as amended from time to time.

- Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.

- The Company used to obtain duty credit scrips under Merchandise Export from India Scheme ("MEIS") covered in Chapter 3 - Exports from India Scheme in Foreign Trade Policy 2015-20 until 31st December 2020. The Government has introduced Duty Credit under Remission of Duty and Taxes on Exported Products ("RODTEP") with effect from 1st January 2021 vide Notification No. 19/2015-2020 dated 17 August 2021. Presently, exports made from SEZ unit and EOU unit have been excluded from purview of the scheme. However, in accordance with system notice vide NDML/SEZ Online/2021/48, the declaration for availment of RODTEP scheme on export made from SEZ unit is being made on shipping bills while the final decision on extension of RODTEP to SEZ and EOU units is under deliberation.

- Customs duty exemption or abatements under various exemption notification under Section 25 of the Customs Act in case of import of goods by the DTA unit.

Other than as indicated above, basis our understanding the Company has not claimed any exemption or concession on any transaction, inter-alia including import transactions, under the Customs law, FTP or any other Indirect Tax Laws

Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

- This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2022 applicable for the Financial Year 2022-23, Special Economic Zones Act, 2005 ('SEZ Act), Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No. 37/2015-20 dated 29th September 2022 (unless otherwise specified), read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws".

- This Annexure 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. 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 IPO.

- Our comments are based on our understanding of the specific activities carried out by the Company till the date of this Annexure as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.

We have been given to understand that during the period from 1 April 2022 to the date of this Annexure, the Company intends to -

- avail above mentioned exemption, benefits and incentives under indirect tax laws export goods and services outside India
- import goods and services from outside India
- This annexure covers only indirect tax laws benefits and does not cover any special tax benefits under direct tax law or benefit under any other law.
- These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.

We do not assume responsibility to update the views consequent to such changes.

For Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

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Authorized Signatory

Place: Hyderabad
Date: January 05, 2023

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The market information in the report "Market Assessment for India EMS Industry" dated January 7, 2023 ("**Frost & Sullivan Report**"), prepared by Frost & Sullivan, appointed by our Company pursuant to an engagement letter dated November 19, 2022 is arrived at by employing an integrated research methodology which includes secondary and primary research. Frost & Sullivan's primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. Frost & Sullivan's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry.*

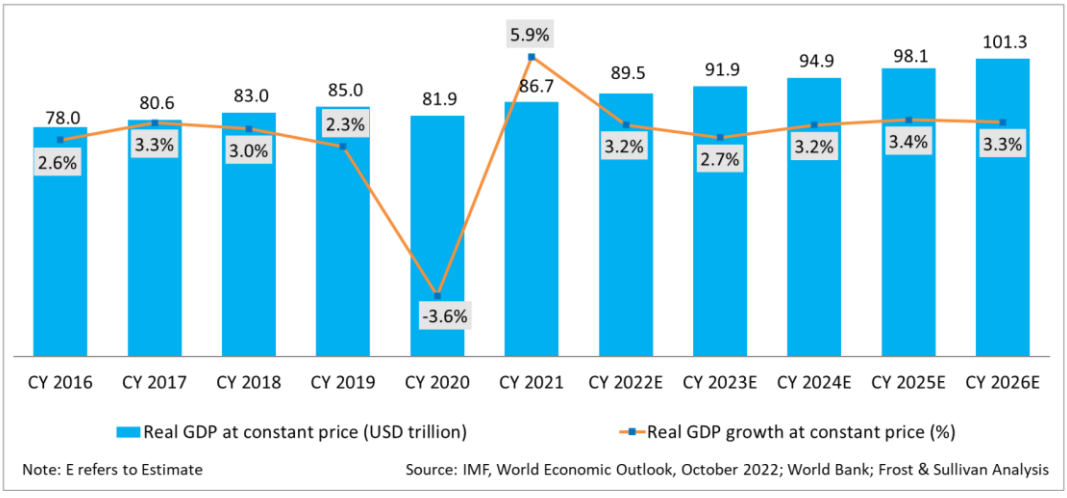
Forecasts, estimates and other forward-looking statements contained in the Frost & Sullivan Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 coronavirus pandemic has affected economic activity, and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in the Frost & Sullivan Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

Global macroeconomic overview

The Global economy (real GDP), which is now well on the path of recovery, has undergone stress in the last few years due to extended trade conflicts, slowdown in investments across the world and then a novel virus. Global economy was showing signs of slowdown since CY2018 and then entered a recession in CY2020 owing to the unprecedented crisis caused by COVID-19 pandemic. The pandemic brought economic activity to a near standstill in CY2020 and to an extent in CY2021, as many countries had to impose strict restrictions to curb the spread of the virus. While in CY2022 the economy was affected due to Russia-Ukraine war; slowdown in US, Europe; supply chain issues and other factors. Russia's war against Ukraine continues to affect the EU economy, setting it on a path of lower growth and higher inflation.

Global real GDP

Chart 1.1: Global real GDP and real GDP growth (annual percentage change), value in USD trillion, growth in %, CY2016-CY2026E



Real GDP for key regions

Chart 1.2: Real GDP growth (annual percentage change) in key economies (USA, Europe, China, India, Middle East, South East Asia), growth in %, CY2016-CY2026E



	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022E	CY2023E	CY2024E	CY2025E	CY2026E
USA (%)	1.7%	2.3%	3.0%	2.2%	-3.5%	6.2%	1.6%	1.0%	1.2%	1.8%	2.1%
Europe (%)	1.9%	2.8%	2.2%	1.6%	-5.6%	5.2%	1.9%	0.3%	1.9%	2.0%	1.9%
China (%)	6.8%	7.0%	6.7%	6.0%	2.3%	8.0%	3.2%	4.4%	4.5%	4.6%	4.6%
India (%)	8.2%	6.8%	6.6%	4.0%	-7.3%	9.5%	6.8%	6.1%	6.8%	6.8%	6.5%
South East Asia (%)	4.8%	5.3%	5.1%	4.3%	-4.2%	2.6%	5.0%	4.6%	5.1%	5.0%	4.9%

Note: E refers to Estimate

Source: IMF, World Economic Outlook, October 2022; World Bank; Frost & Sullivan Analysis

In CY2021, the global economy grew by 5.9% (by real GDP), owing largely to the inherent strength of major economies such as the United States of America (USA), China, Japan, Germany, United Kingdom, and India. However, the beginning of CY2022, saw the global economy grow to a reasonably strong position, and the major economies like—the USA, China, and India, had managed to regain their pre-pandemic levels, while countries in Europe and South East Asia were on the trajectory of reaching their pre-pandemic levels. After gaining significant experience from the pandemic, governments across the world took steps they need to deal with similar black swan events in the future.

However, global economic activity is experiencing a sharper-than-expected slowdown in the second half of CY2022, with inflation levels higher than ever before. Cost-of-living, tightening financial conditions in most regions, and Russia's invasion of Ukraine, are all weighing heavily on the outlook. One of the most important effects of this war is seen on commodity prices and expected to see further fluctuations in the global fuel prices. Global growth is forecast to slowdown from 5.9% in CY2021 to 3.2% in CY2022 and 2.7% in CY2023.

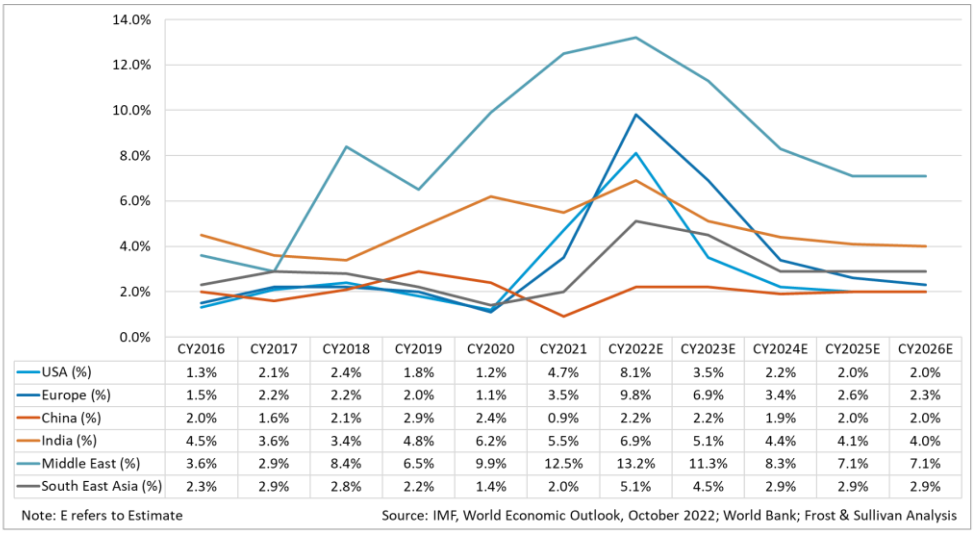
Geopolitical situation and their impact

A) Global Inflation

Inflation increased worldwide due to the on-going Russia-Ukraine war, as well as China's extensive lockdown, which is having an impact on the global market, where inflation is expected to be high in CY2022. Supply chain disruptions, strict labour markets in a few countries, and especially soaring commodity prices are some of the key reasons. Prices for oil and natural gas have risen because of concerns that Russia, the world's largest oil exporter, may be unable to supply oil or gas in the event of the conflict. On top of that, global demand is on the rise as the global economy recovers from the economic downturn. Global inflation is forecast to rise from 4.7% in CY2021 to 8.8% in CY2022 but to decline to 6.5% in CY2023 and to 4.1% by CY2024.

Inflation is expected to slow down in CY2023; however, it may not reach pre-pandemic levels. Having said this, supply disruptions are slowly improving and may take some more time to fully ease.

Chart 1.4: Inflation rate, average consumer prices (annual percentage change) in key economies (USA, Europe, China, India, Middle East, South East Asia), growth in %, CY2016-CY2026E



	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022E	CY2023E	CY2024E	CY2025E	CY2026E
USA (%)	1.3%	2.1%	2.4%	1.8%	1.2%	4.7%	8.1%	3.5%	2.2%	2.0%	2.0%
Europe (%)	1.5%	2.2%	2.2%	2.0%	1.1%	3.5%	9.8%	6.9%	3.4%	2.6%	2.3%
China (%)	2.0%	1.6%	2.1%	2.9%	2.4%	0.9%	2.2%	2.2%	1.9%	2.0%	2.0%
India (%)	4.5%	3.6%	3.4%	4.8%	6.2%	5.5%	6.9%	5.1%	4.4%	4.1%	4.0%
Middle East (%)	3.6%	2.9%	8.4%	6.5%	9.9%	12.5%	13.2%	11.3%	8.3%	7.1%	7.1%
South East Asia (%)	2.3%	2.9%	2.8%	2.2%	1.4%	2.0%	5.1%	4.5%	2.9%	2.9%	2.9%

Note: E refers to Estimate

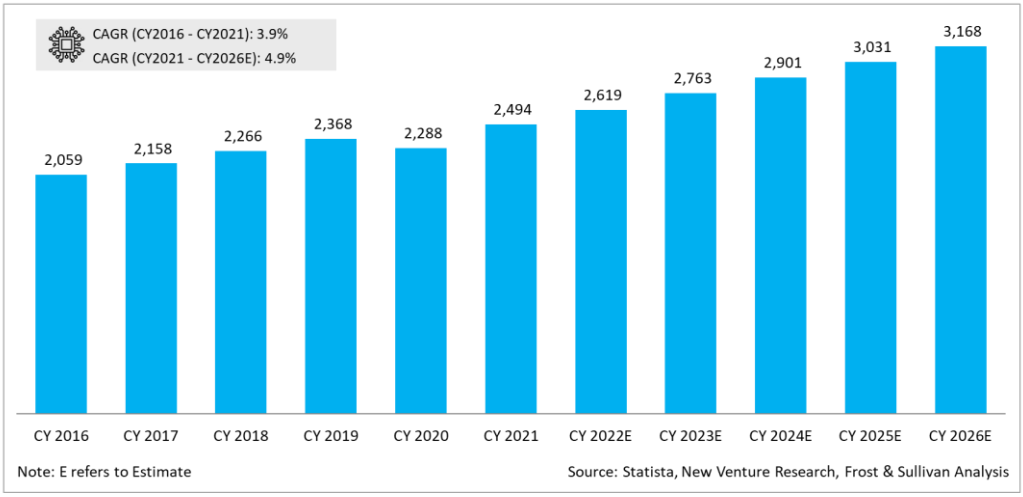
Source: IMF, World Economic Outlook, October 2022; World Bank; Frost & Sullivan Analysis

Global Electronics Industry

Overview of the global electronics industry

The overall electronics market is inclusive of electronics products, electronics design, electronics components, and electronics manufacturing services. The global electronics industry was valued at USD 2,288 billion in CY2020 and grew to USD 2,494 billion in CY2021. As per Frost & Sullivan's analysis, the industry is expected to grow at a CAGR of 4.9% to reach USD 3,168 billion by CY2026. Some of the critical factors driving this growth are increasing disposable income, improved acceptability of audio and video broadcasting, higher broadband penetration, the inclination of the youth towards next-gen technologies, emergence of e-commerce, rising demand from rural markets, etc.

Chart 2.1: Global electronics industry market size, value in USD billion, growth in %, CY2016-CY2026E

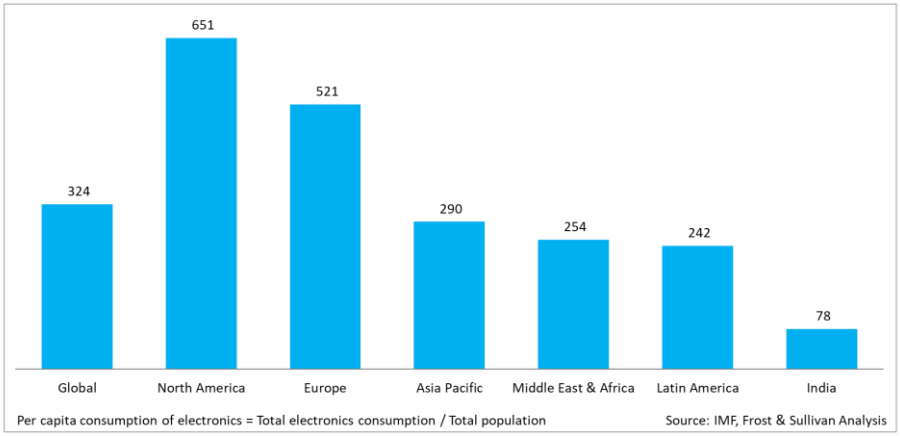


Note: E refers to Estimate

Source: Statista, New Venture Research, Frost & Sullivan Analysis

Per capita consumption of electronics in major economies

Chart 2.2: Per capita consumption of electronics in major economies, value in USD, CY2021

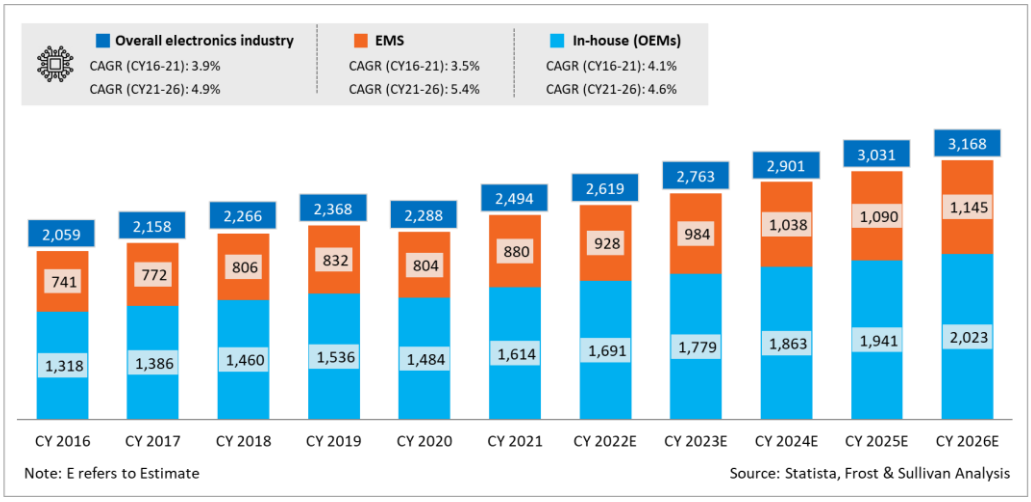


Globally, per capita, electronic consumption is increasing and is currently USD 324. Per capita consumption is the highest in the West and increasing rapidly in major economies such as the North America and Europe, driven by the growing adoption of wireless connectivity for several electronic devices. Increasing investments in Research and Development (R&D) in consumer electronics and technological advancements, coupled with the growing popularity of wearable electronic devices, are also driving the market. Per capita consumption of electronics in India is only USD 78, 1/4th of the global average, however domestic electronics consumption is increasing rapidly because of urbanization and the adoption of electronic products in Tier 2 and Tier 3 cities.

Global electronics manufacturing market split between in-house and EMS

Electronics manufacturing has been divided into two categories: products that are produced in-house by OEMs and those that are produced by EMS companies. Currently, in-house electronic manufacturers account for approximately 65% of the total electronics market, which is a significant contribution. However, in recent years, the involvement of EMS players has expanded significantly, making the job of OEMs easier to manage.

Chart 2.3: Global electronics manufacturing market - Split between in-house and EMS, value in USD billion, CY2016-CY2026E

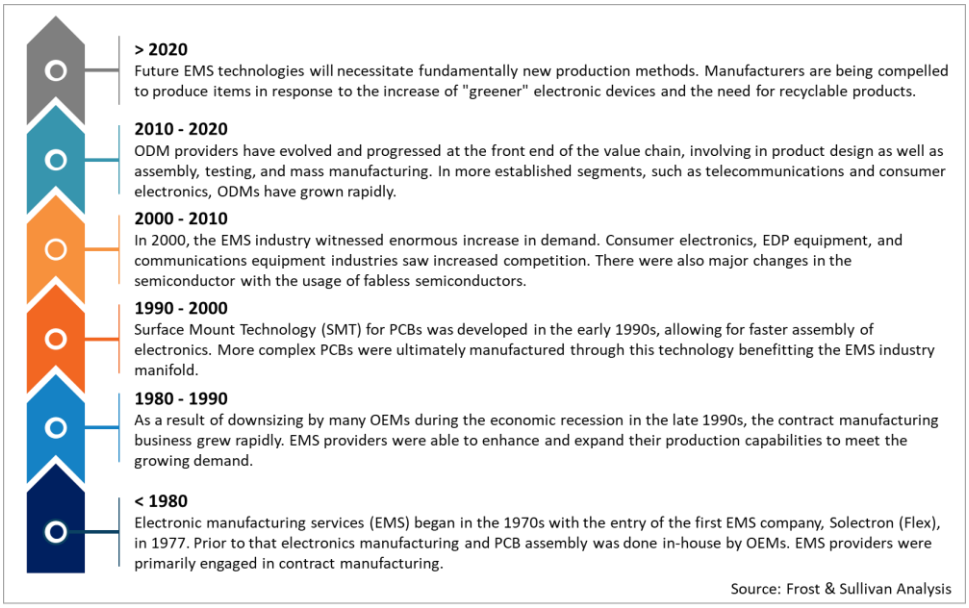


Global Electronics Manufacturing Services (EMS) Industry and Outlook

The global EMS market witnessed a period of steady growth till 2018, riding on the wave of increased outsourcing activities from brand manufacturers and increasing electronics content. There are obvious inherent economic benefits to outsourcing. There is no denying the fact that manufacturing outsourcing has seen a steady uptrend over the past couple of decades. With clear benefits in terms of production efficiency, reduced overhead, labour costs, and faster new product introductions, OEMs today continue to collaborate with EMSs to develop their products. In addition, OEMs are also increasingly moving product design and development processes, to EMS partners.

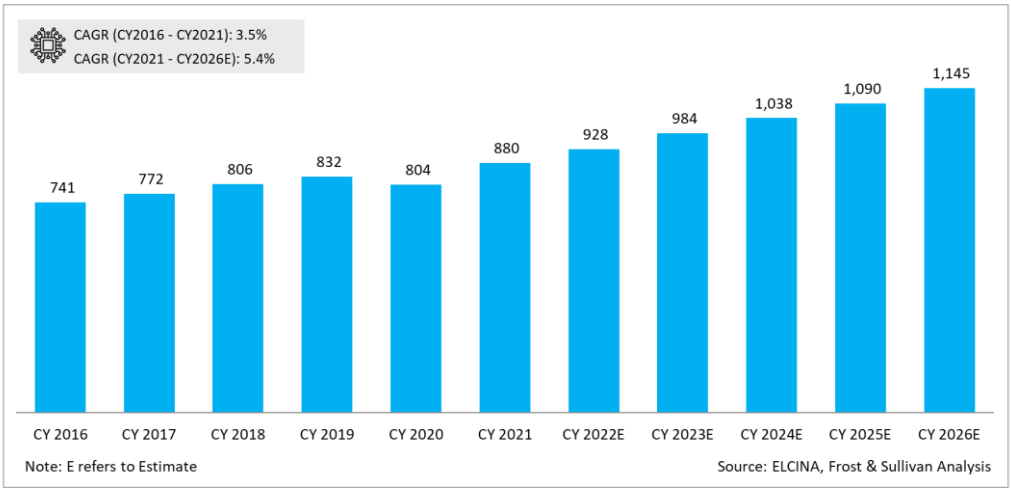
Evolution of the global EMS industry

Chart 2.4: Evolution of the global EMS industry, 1980 to 2020



Overview of the global EMS industry

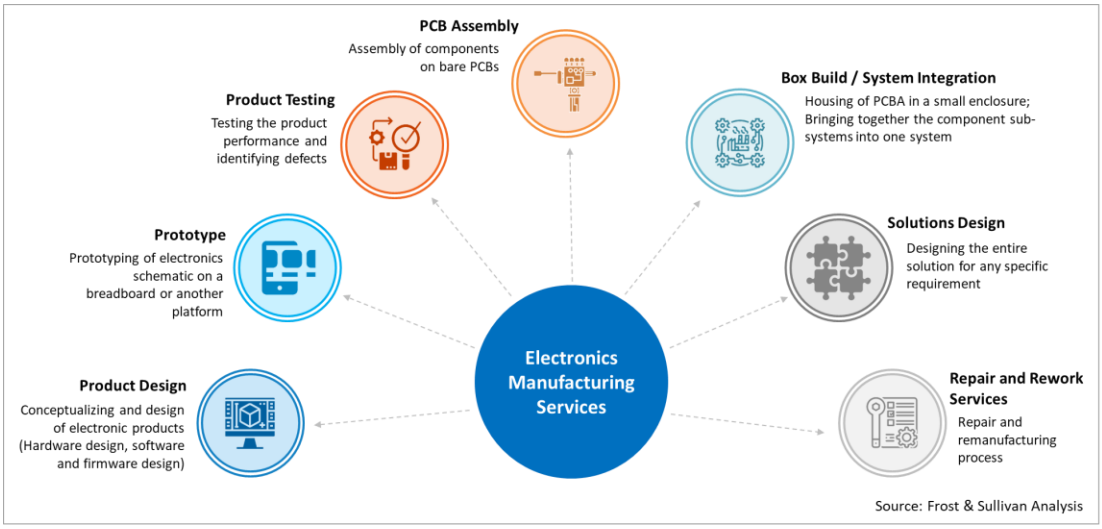
Chart 2.5: Global EMS industry market size, value in USD billion, CY2016-CY2026E



The global EMS market is traditionally comprised of companies that manufacture electronic products, predominantly assembling components on Printed Circuit Boards (PCBs) and box builds for OEMs. Today OEMs are seeing more value from EMS companies, leading to involvement beyond just manufacturing services to product design and development, testing, and aftersales services (repair, remanufacturing, marketing, and product lifecycle management).

Range of services offered by EMS companies globally

Chart 2.6: Range of Services offered by EMS companies, global, CY2021



EMS companies are equipped to provide a gamut of services which include design, assembly, manufacturing, and testing of electronic components for OEMs. EMS companies can be contracted at different points in the manufacturing process.

Design services and solutions: Design services include multiple associated actions that occur after determining the customer's specific requirements and before manufacturing or at the beginning of an assembly. The EMS Company based on inputs from the OEMs creates conceptual design and the same is shared with the OEMs for inputs and approvals.

Prototyping: The next step is to create a Proof of Concept (POC) to demonstrate that concept of design, functions. Post that, once design for manufacturability, design for testing and design for servicing are established, prototypes are made to make sure that the product will serve its proposed purpose after it is manufactured as a part of a bigger production run.

Testing services: Testing is an essential element across the entire EMS value chain. EMS companies which can design test solutions for both at PCBA level and at the end of line product testing, including functional testers and fixtures are preferred by the OEMs.

PCB Assembly: At the heart of the electronics industry is Printed Circuit Board or PCB. A PCB with components mounted on is called an assembled PCB and the manufacturing process is called PCB assembly or PCBA for short. PCB assembly is a major activity and normally outsourced to EMS companies.

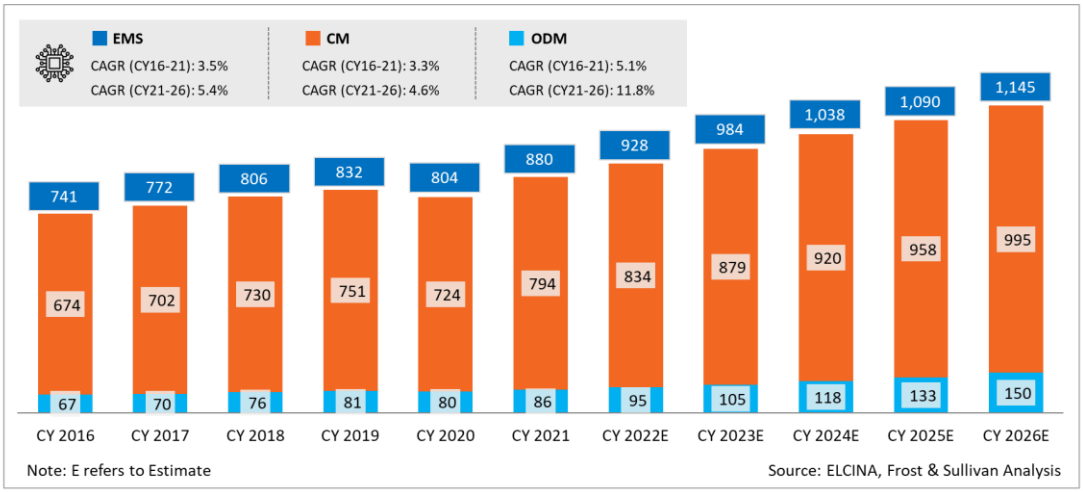
Box Build: In this, an OEM outsources complete product manufacturing to an EMS company, which manufactures the final product, adds the OEM's logo, and dispatches it to the OEM's warehouse for selling. This model is largely used in high volume low mix (HVLM) type of products such as mobiles, computer hardware and industrial segments.

Aftersales Service (Repair and Rework): The demand for repair and remanufacture is not high, because majority of electronic products do not necessitate repair or remanufacturing and are focused more on replacement. Niche verticals like aerospace and defence, railways and high-end electronics segment is opening to accept third-party repairs due to high cost of equipment and re-design which provides immense potential for this segment.

EMS market segmentation by ODM vs CM

The EMS market was valued at USD 880 billion in 2021, is split by Contract manufacturing which enjoys the majority share valued at USD 794 billion and expected to grow to a value of USD 995 billion in 2026; ODM has a market share of around 10%, is worth USD 86 billion in 2021, and is expected to grow to approx. 11.8%, worth USD 150 billion, by 2026.

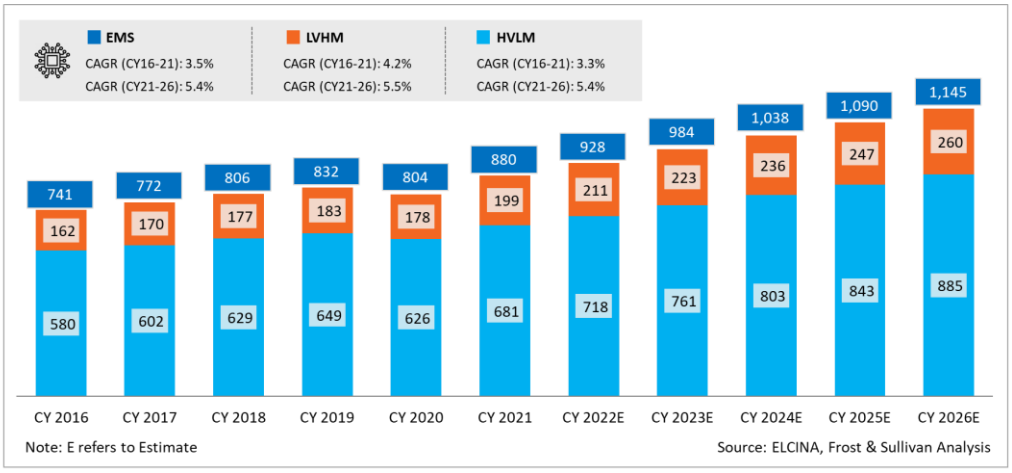
Chart 2.8: Global EMS market – Segmentation by ODM vs CM, value in USD billion, CY2021 and CY2026E



Constantly increasing logistics and raw material costs are resulting in a rise in total manufacturing costs, which serves as a catalyst for the OEMs to choose the ODM model and provide an end-to-end solution, including product design and after-sales support, owing to higher margins and increased visibility. Established supply chains aid in reducing lead times, which has a substantial positive effect on the profitability of ODMs. Additionally, ODM offers to collaborate with the OEMs on product localization and design. The ODM companies have versatile capabilities in system designs, plastic moulding, PCBA, software engineering, and more. Instead of investing in R&D, new entrants or Tier-II players collaborate with ODMs to select and develop specific models from existing models to enter the market. The secondary benefit for ODMs from such collaborations is the improvement of capabilities to handle fresh clients.

EMS market segmentation by HVLM vs LVHM

Chart 2.10: Global EMS market - Segmentation by HVLM vs LVHM, value in USD billion, CY2021 and CY2026E



High volume, low mix (HVLM): This is typically a contract manufacturing setup where only a few types of assemblies are produced in large quantities. This technique generally allows changes to be kept at a minimum and the equipment utilization rate significantly high. Contract manufacturers are proven to be more efficient when running at high volumes and require minimal engineering intervention.

Most global MNC firms work in the HVLM space catering to the needs of mobiles, computer peripherals, consumer devices and storage devices. This also means that this business requires large-scale deployment of resources and supply chain arrangements.

Low Volume, High Mix (LVHM): This type of contract manufacturing typically has a very high emphasis on quality and customization which changes according to the requirements of the customer. Considering that their products have high margins, even major changes in market dynamics do not heavily impact the production process. OEMs that prefer such solutions prefer to pay higher prices without compromising on quality.

Most companies in the LVHM space cater to the needs of industrial, medical, aerospace, and defence applications. Due to the nature of the operations, their scale is limited, and they face high component costs and limited bargaining power. LVHM products involve high complexity and are safety critical with high entry barriers. Continuously rising capex investment in the

industrial, medical, and A&D sectors, which are the key contributors to LVHM, will drive this segment to grow at a faster pace than HVLM. Due to the high level of complexity in the LVHM category, the customers of an EMS partner would be reluctant to source similar solutions from other competitors.

Size of the Box-build split by cost components

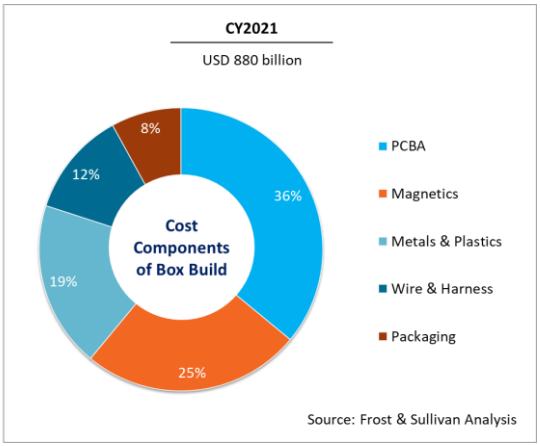
Box Build Systems

In the box build system, the OEM outsources the complete product to a third-party EMS firm, and the EMS firms, make the final finished product, puts in the OEM logo, and dispatch it to the OEM warehouse to be resold. In this case, the EMS firm takes care of both electronic BOM, Mechanical and Electrical BOM and assembles the final product, and does the required testing before it is dispatched. This is largely used in high volume low mix types of products such as mobiles, computer hardware, etc. A box build includes all the other assembly work involved in an electromechanical assembly, other than the production of the printed circuit board. The box build system includes PCBA, cables, wires and harnesses, electromechanical components, and other electronic components specific to the product category.

The box build process is very specific to each project and the degrees of complexity vary from project to project. The most common box-build assembly processes include the installation of sub-assemblies, installation of other components, routing of cabling or wire harnesses, and fabrication of enclosures. Key components of box build are mentioned below:

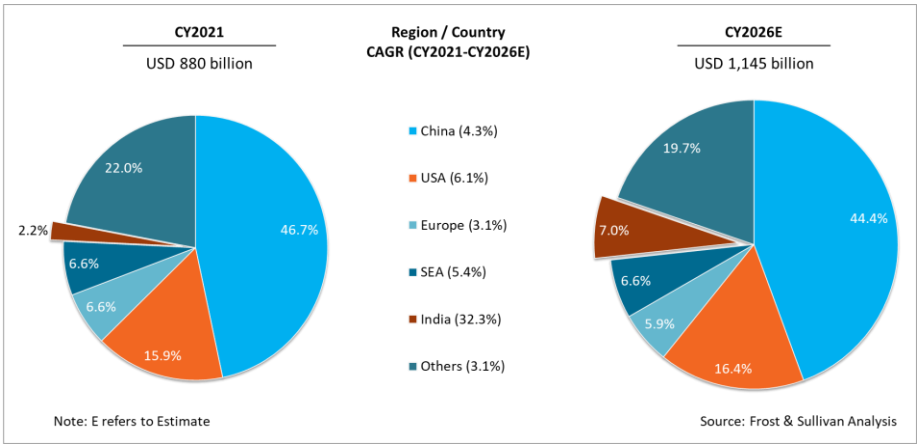
- **Electromechanical Components:** Electro-mechanical components are those that utilize an electrical signal to create a mechanical change. The electronic components market can be largely categorized as follows:
  - Passive components - capacitors, resistors, wound components, and crystals
  - Active components - diodes, transistors, ICs, and LEDs
  - Electromechanical components - PCBs, switches, relays, cables, and connectors
  - Associated components - optical discs, magnets, RF tuners, heat sinks, magnetrons, etc.
- **PCBA (Printed Circuit Board Assembly):** The PCBA is the core of an electronic device, which includes Flash Memory, Application Processor, Graphics Processor, and other semiconductor-based active and passive sub-components. All electronic devices derive their intelligence and functionality from the PCBA.
- **Wire & Harness:** A wire harness, often referred to as a cable harness or wiring assembly, is a systematic and integrated arrangement of cables within an insulated material. The purpose of the assembly is to transmit signal or electrical power. The wire harness simplifies the connection to larger components by integrating the wiring into a single unit for “drop-in” installation.
- **Magnetics:** It includes electrical components that use magnetism in the storage and release of electrical charge through current. Primarily includes passive components such as transformers, inductors, motors/ generators, etc.
- **Metals & Plastics:** It includes parts of electronic devices made of sheet metal or plastic mouldings. It also includes electronic packaging, which is the outer box that houses the electronic components. Sheet metal, cast metal, moulded plastic, or other materials are commonly used for the outer box.

Chart 2.12: Global EMS market - Box-build market split by cost components, in %, CY2021



EMS market segmentation by the manufacturing locations

Chart 2.13: Global EMS market - Segmentation by the manufacturing locations, value in USD billion, split in %, CY2021 and CY2026E



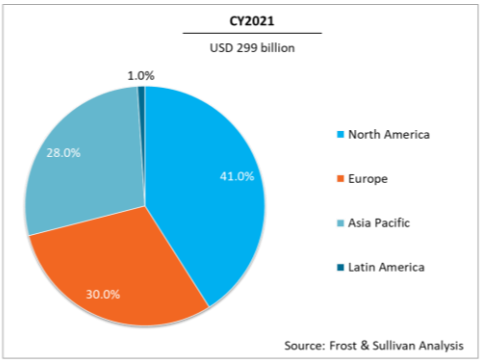
China leads the global EMS business with a 46.7% share in 2021. It is a global leader due to operational cost benefits, availability of a large number of highly skilled personnel, infrastructure, logistical advantages, and proximity to the largest end-user base across all end-user verticals. However, many global electronics manufacturers are now contemplating on China + 1 strategy and looking for alternate manufacturing locations for exports, creating tremendous investment potential for countries like Vietnam, India, and the Philippines etc.

North America is a leader in adopting next-generation technologies and devices. In the next five years, demand for EMS will be driven by a rise in electronic device demand, a well-established EMS infrastructure, and evolving government policies that encourage local production. The EMS industry is poised for a robust growth over the next five years. The EMS market in the United States was around USD 140 billion in CY2021, and it is expected to grow at a CAGR of 6.1% to USD 188 billion by CY2026. The electronics manufacturing industry in North America has benefited from skilled labour force, advanced technology, and pro-business policies. Within North America, the United States (US) leads this industry in terms of total market share, followed by Mexico and Canada. The US remains very attractive for the low- to medium-volume and complex electronics product manufacturing, predominantly in the medical, telecom, IT, automotive, industrial, and military/aerospace divisions. In particular, the U.S. electronics manufacturing sector is an important intermediary supplier for other key industries. Mexico is an important location for low-cost manufacturing, which results in a high proportion of assembly revenue being exported.

The India EMS is a sizeable industry, contributing to 2.2% (USD 20 billion) of the global EMS market in CY2022. India's EMS industry is the fastest growing among all countries at a CAGR of 32.3% and is expected to contribute 7.0% (USD 80 billion) of the global EMS market in CY2026. There continues to be a strong push from the government to make India an ideal location for Electronics manufacturing in the region.

EMS market segmentation by outsourcing geographies

Chart 2.14: Global EMS market - Segmentation by outsourcing geographies, value in USD billion, split in %, CY2021



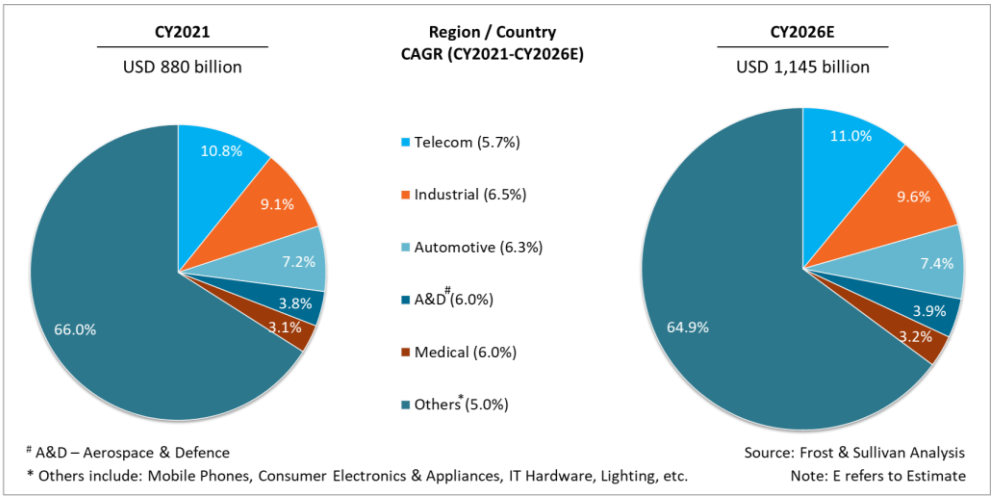
*The above split is based on the locations of the OEMs, specific only for the five end-use segments: Automotive, Medical, Industrial, Aerospace & Defence and Telecom

- North America: Primarily USA, some OEMs are also based out of Canada.
- EU: Prominent countries are Germany, Netherlands, Switzerland and France. Other countries where some OEMs are present are Italy, Sweden, UK, Ireland and Finland
- APAC: Primarily Japan. Some OEMs are also present in China, Taiwan and South Korea
- LA: Brazil and Colombia

EMS market segmentation by end-user industries

Aerospace and Defence (A&D) is a relatively small but key revenue-contributing segment. OEMs perceive EMS providers as strategic solution partners, as it gives them an average savings of 10% to 15%. The outlook for the aerospace and defence industry is optimistic. In the next few years, apart from cost, A&D OEMs will consider EMS providers' expertise in advanced technologies as a key partnership factor in boosting EMS revenue. Key trends that will drive new opportunity in this sector include digital thread and smart factory driving efficiencies, defence contracts building advanced military capabilities (like the ongoing US government support for the National Defence Strategy will likely keep defence spending stable), growth in the space in key areas like the launch industry, satellite trends, etc.

Chart 2.15: Global EMS market - Segmentation by end-user industries, value in USD billion, split in %, CY2021 and CY2026E



Medical is a key revenue opportunity segment in the EMS market. Business is expected to boom in the medical device industry's electronic manufacturing services (EMS) segment. This is largely thanks to advanced technologies such as the Internet of Things (IoT), wireless, and artificial intelligence (AI). The other factor is that medical device manufacturers have been asked to speed up innovations and adopt newer more unfamiliar technologies without putting the quality into any kind of risk and without cutting corners.

Industrial electronics is another important market, which is primarily divided into power and automation. Leading manufacturers are adding new applications to their portfolio by partnering with niche application providers. With the emergence of new applications, there are several opportunities for power electronic devices such as transformers, chokes, and inductors. Many electronics applications are concerned with the control and operation of heavy machinery. The worldwide actuators market is expected to grow due to their efficient operation, low maintenance, and other factors, and a sudden surge in demand coming from the automation sector.

Telecom segment includes telecom infrastructure and networking equipments. Wireless technology in the last few years is growing tremendously. There are rapid expansions in mobile network coverage which has managed to reach even the remotest of areas. There is also an increase in demand which eventually leads to decreasing in charges that are incurred for using data. The increasing use of satellites used for connectivity is also a key factor driving this market forward. Furthermore, there is a growing need for spectrum trends, intelligence, and virtualization that is propelling the market for data centres. The development of multi-tiered data centres is adding to an increasing demand required by OEMs in augmented and virtual reality. Researchers, telecom equipment vendors, and service providers are already working intensively towards 5G (fifth generation) of mobile communication which is very likely going to overcome the existing limitations of technology.

Automobile is one of the key growth opportunity verticals for EMS providers in the next 5 years, due to the technological transformation currently underway with autonomous cars development and electric car commercialization activities. EV is one of the key growth opportunity verticals, due to the technology transformation currently underway with autonomous cars development and EV commercialization activities. Moreover, the growing electronics content will accelerate the growth of EMS revenue from this vertical.

Mobile phones and IT hardware: Mobile phones have emerged as an important commodity in today's world and the segment commands a significant share of the global EMS market. On the other hand, IT hardware, though a saturated market, the onset of the pandemic has turned out to be positive, specifically because of the surge in demand for computers and tablets, driven by work-from-home and study-from-home needs.

Consumer electronics and appliances (CEA): The segment had a consistent performance in the last few years, which is aided by growth in advanced economies and developing countries. EMS companies have also profited from rising consumer spending and technological improvements. Rising demand for smart solutions will fuel future growth. Furthermore, OEMs and EMS

manufacturers are progressively supplying both premium and mid-range appliances to meet the growing demand for both product categories and increase revenue.

Trends, challenges, and entry barriers in Global Electronics Manufacturing

Mega Trends in the Market Driving the Growth of the Global EMS Market

- **Technological advancements and acceptance of smart home devices:**
- **Greater emphasis on vehicle electrification:**
- **Technological upgrade of facilities:**
- **Product development activities:**
- **Accelerated demand post-COVID-19:**
- **Digital thread and Smart factory to drive efficiencies:**
- **Electrification, an emerging trend in Aerospace segment:**

Entry barriers in the EMS industry

- **Capital Investment Cycle:**
- **Presence of established players:**
- **Uncertain Demand:**
- **Long approval cycles:**
- **Need for certification and technical know-how:**

Government incentives and programs

A) India
Make in India:

Production Linked Incentive (PLI) Scheme:

Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS):

Merchandise Exports from India Scheme (MEIS):

Modified Electronics Manufacturing Clusters Scheme (EMC 2.0):

Semiconductors and Display Fab Ecosystem:

B) Defence offset policy:China
Made in China 2025 plan

C) USA
CHIPS Act:

D) ITAR Program: Europe
European CHIPS Act: Trends on alternative locations for manufacturing to China

Comparative Analysis of industry in India, China, Vietnam, and Mexico

Economic development in India is gaining support as a result of the continuing expansion of private consumption and investments some industries following the liberalisation of foreign ownership. The projected government expenditure expansion would further enhance growth by focusing on social infrastructure, making the best use of technology, digital India, make in India, job creation in Micro, Small, and Medium Enterprises (MSMEs), and heavy investment in infrastructure.

Chart 2.16: Economic comparison on favourable manufacturing parameters, India, China, Vietnam and Mexico, 2021

PARAMETERS		INDIA	CHINA	VIETNAM	MEXICO
Population (Million)		1,390.0	1,410.0	98.5	129.0
Annual GDP (USD Trillion)		3.18	17.74	0.37	1.30
GDP Growth (%)	CY2021	8.7	8.1	2.6	4.8
	CY2026	6.5	4.9	6.7	2.1
Inflation (%)		5.5	0.9	1.8	5.7
Manufacturing Value Added (% of GDP)		14.4	26.2	25.0	18.0
Export (USD Trillion)		0.42	3.36	0.34	0.50
Imports (USD Trillion)		0.61	2.69	0.33	0.52
Manufacturing Risk Index (Rank)		2	1	11	21
FDI Investments (USD Billion)		45	334	20	32

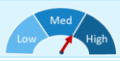
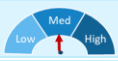
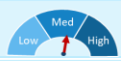
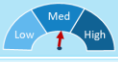
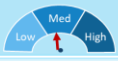
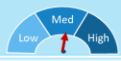
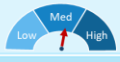
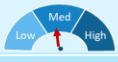
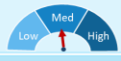
Source: World Bank, IMF, Frost & Sullivan

Chart 2.17: Labour market comparison, India, China, Vietnam and Mexico, 2021

PARAMETERS	INDIA	CHINA	VIETNAM	MEXICO
Total Labour Force (Million)	471.3	793.8	56.2	57.3
Total Labour Force, Female (% of Total population)	20.3	44.5	47.6	38.5
Labour force participation rate (% of total population)	52.1	75.9	83.1	65.3
Employment in Industry (% of Total Employment)	25.0	27.0	27.0	26.0
Wage and salaried workers (% of Total Employment)	24.2	55.3	45.7	68.1
Average Daily Wages - Nominal (USD)	~ 5.3	~36.0	~9.5	~13.3
Average Daily Wages - Manufacturing (USD)	~ 6.0	~6.5	~3.0	~4.8

Source: World Bank, IMF, ILO, Statista, Frost & Sullivan

Chart 2.18: Manufacturing eco-system comparison, India, China, Vietnam and Mexico, 2021

PARAMETERS	INDIA	CHINA	VIETNAM	MEXICO
Favorable Government Policies and Programs				
Developed Component eco system				
Labour Cost				
Maturity of Infrastructure				
Ease of Export				

Source: Frost & Sullivan

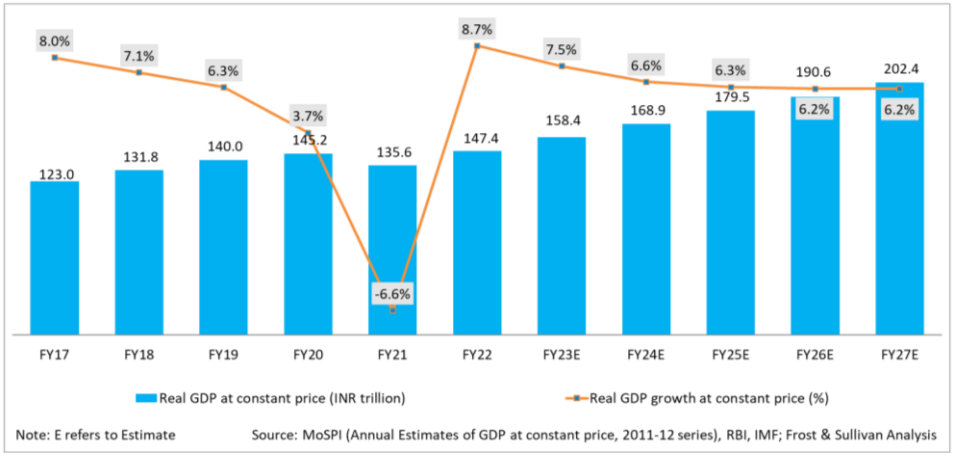
India Macroeconomic Outlook

Real GDP

The last decade was a mixed bag for the Indian economy and the country has seen a see-saw movement in GDP growth between 2010 and 2020. However, the growth started slowing down in FY2018 and reached a low of 3.7% in FY20. Eminent experts have cited Demonetisation and GST implementation as the key reasons for this moderation in growth.

While the Government was taking corrective measures, the economy received a jolt from the Covid-19 pandemic at the beginning of FY21. The economy bounced back from Q3 FY21 on the back of huge pent-up demand and the festive season. FY22 was strong, and the Indian economy registered an 8.7% growth in the financial year. The Indian government has taken a slew of measures to bring the economy back on track. There is a strong focus on the growth of the domestic manufacturing sector through various policy initiatives such as Atmanirbhar Bharat, PLI schemes, etc. These initiatives will help the economy to register stable growth of approximately 6.6% in the medium term.

Chart 3.1: Annual Real GDP and Real GDP growth (Annual %age Change), Value in INR Trillion, Growth in %, India, FY17-FY27E



Index of Industrial Production

Indian Electronics Industry

Overview of the Indian electronics industry - Total market and domestic consumption

Electronics is one of the fastest-growing industries in the country. The total electronics market (domestic electronics production and imports of finished goods) in India was valued at INR 9,263 billion (USD 124 billion) in FY22, expected to grow at a CAGR of 18.4% to reach INR 21,540 billion (USD 289 billion) in FY27. The landscape of the industry is changing significantly, and revised cost structures have shifted the focus of multinational companies in India.

Chart 3.5: Total electronics market, India, value in INR billion and USD billion, growth in %, FY17-FY27E

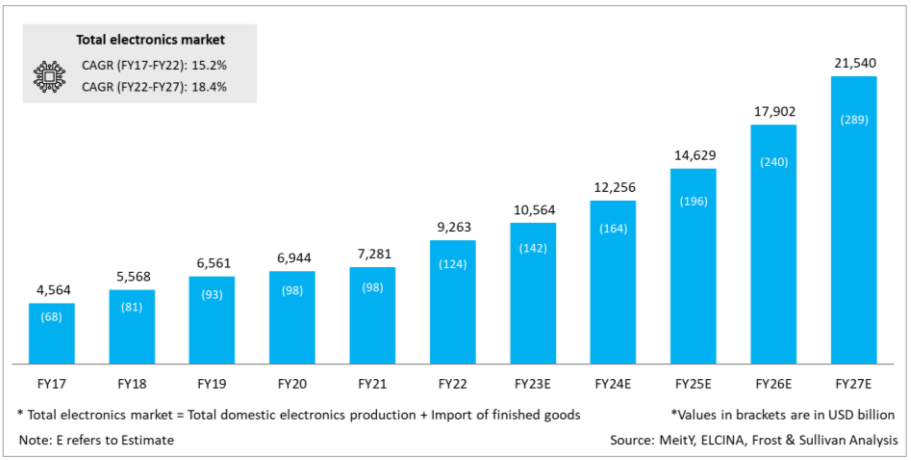
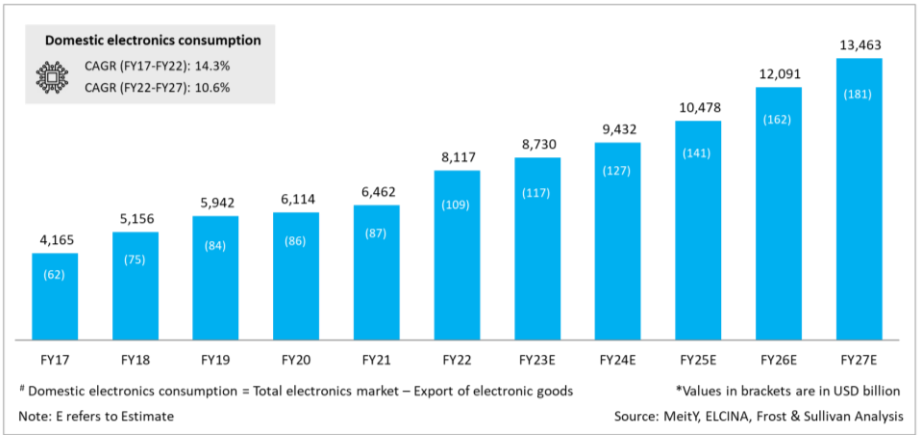


Chart 3.6: Domestic electronics consumption market, India, value in INR billion and USD billion, growth in %, FY17-FY27E

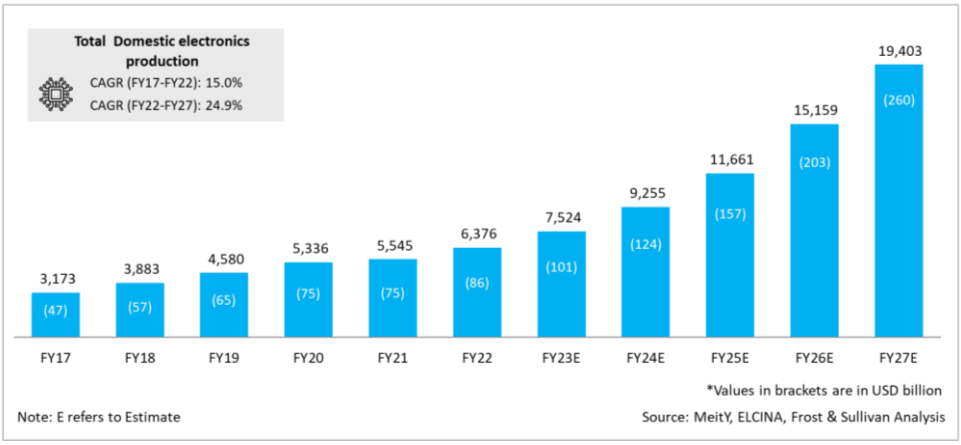


At present, the Indian government is striving to strengthen manufacturing capabilities across several electronics industries and fill the gaps to make the Indian electronics sector globally competitive. India is positioned as both a high-quality destination for design and a cost-effective option. Low manufacturing costs, a skilled workforce, and a vast geographical area are some of the driving elements behind the development of India's electronics ecosystem. Also, the manufacturers are slowly shifting their focus on product mix from high-volume, low-mix (HVLM) products to low-volume, high-mix (LVHM) products.

The demand for electronic goods in India has grown significantly in recent years. The domestic electronics consumption market is estimated at INR 8,117 billion (USD 109 billion) in FY22, expected to grow by 10.6% to reach INR 13,463 billion (USD 181 billion) in FY27. Increasing electronics penetration in semi-urban and rural markets, a shift in lifestyle among the Gen Y population, and the adoption of smart gadgets are some key drivers supporting domestic consumption.

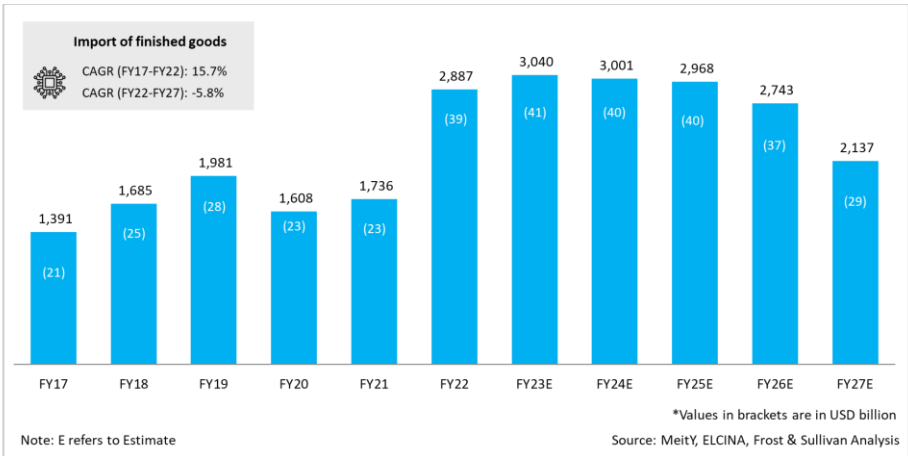
Indian domestic electronics production vs. exports vs. imports

Chart 3.7: Domestic electronics production market, India, value in INR billion and USD billion, growth in %, FY17-FY27E



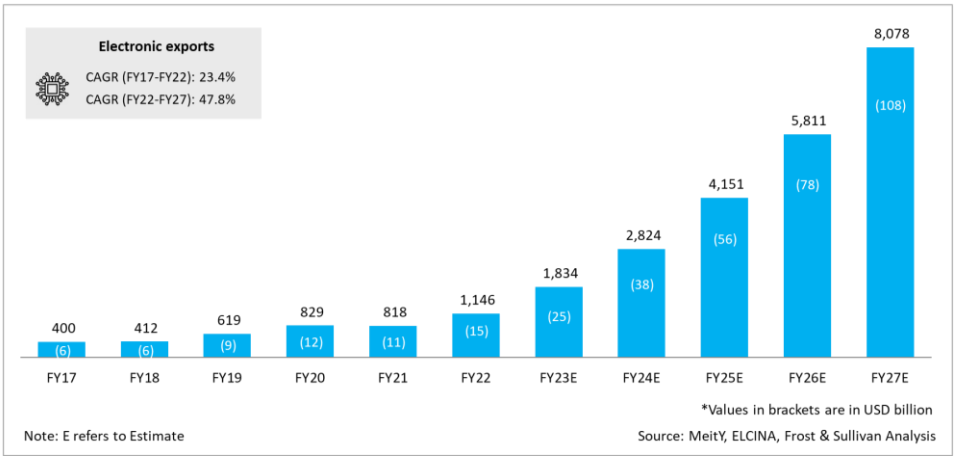
Domestic electronics production accounted for approximately 69% of the total electronics market in FY22, valued at INR 6,376 billion (USD 86 billion), and is expected to grow to approximately INR 19,403 billion (USD 260 billion) in FY27, owing to various government initiatives and the development of India's electronic ecosystem.

Chart 3.8: Import of finished goods market, India, value in INR billion and USD billion, growth in %, FY17-FY27E



The total import value of finished goods in the electronics industry was valued at INR 2,887 billion (USD 39 billion) in FY22, compared to INR 1,736 billion (USD 23 billion) in FY21.

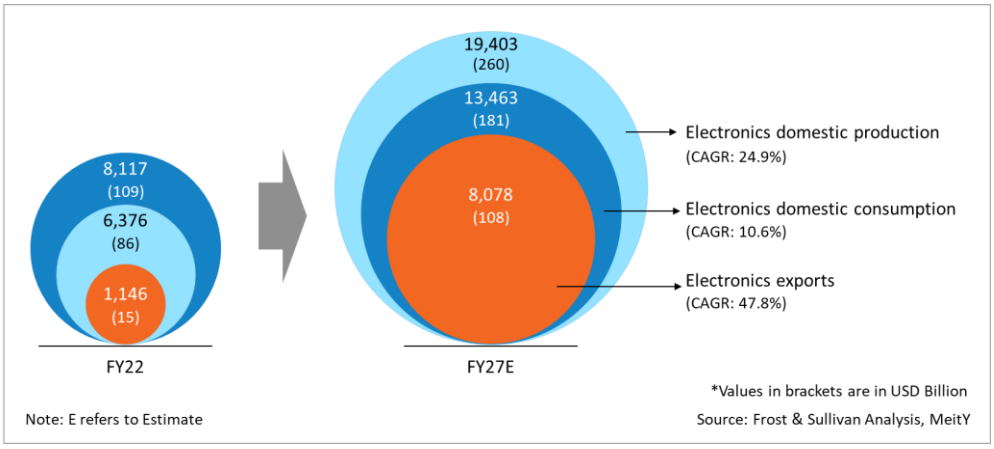
Chart 3.9: Electronics exports market, India, value in INR billion and USD billion, growth in %, FY17-FY27E



As domestic production increases, the export market is expected to grow significantly over the next five years at a CAGR of 47.8% to reach INR 8,078 billion (USD 108 billion) in FY27.

Comparison of Indian domestic electronics production vs consumption vs exports

Chart 3.10: Comparison of Indian domestic electronics production vs. consumption vs. exports, value in INR billion, USD billion, FY22 and FY27E



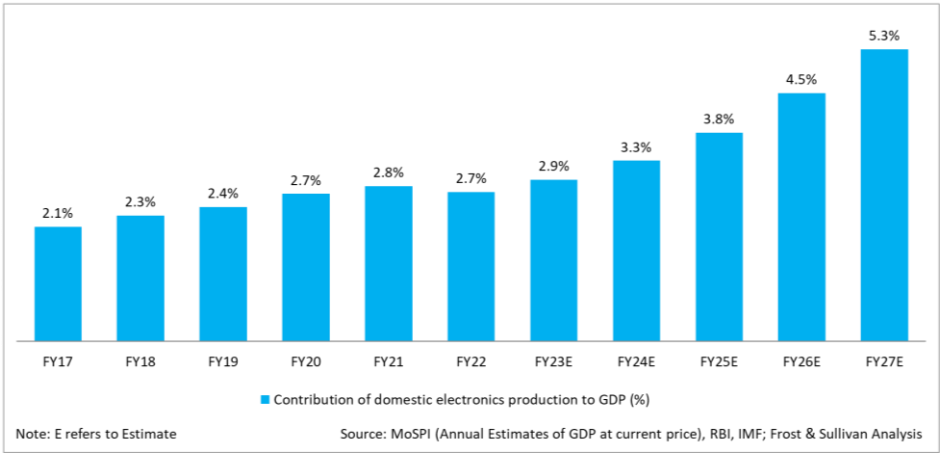
The government's stated objective of enhancing manufacturing capability within India has been backed by creation of a favourable environment. Whether it is the customs duty for certain products or removal of duties on components or encouraging local component manufacturing, there has been appreciable movement to drive domestic manufacturing. The government has also taken several steps towards increasing the ease of doing business, which has resulted in increased manufacturing setups by

multiple foreign manufacturers in the country. This environment has certainly encouraged the EMS/ ODM market as electronics brands/ OEMs continue to push for collaboration and partnership.

In recent years, India's demand for electronic products has increased substantially, primarily due to India's development in the EMS segment. Low manufacturing costs together with skilled workforce and a vast geographical area are some of the driving forces behind India's electronics ecosystem development. India is currently the world's second largest mobile phone manufacturer, and the Indian start-up ecosystem is still expanding, with the potential that Indian start-ups have shown a huge opportunity for India.

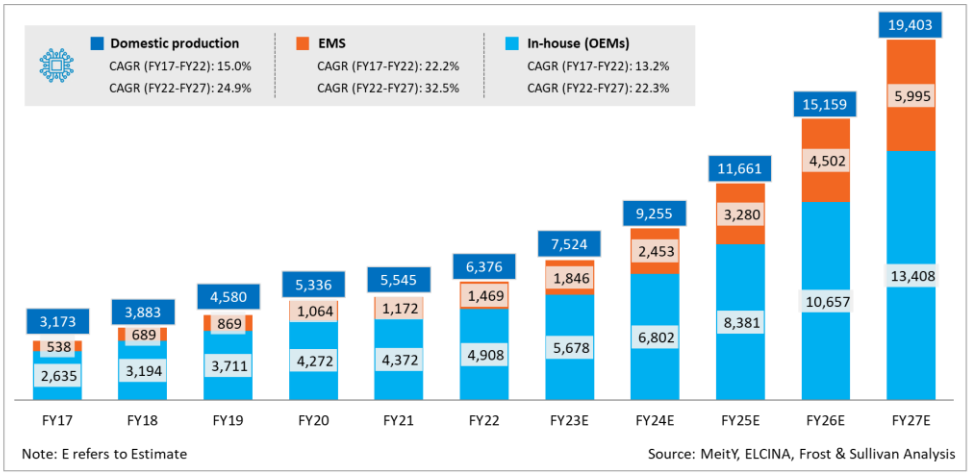
Indian Electronics production as a % of GDP

Chart 3.11: Contribution of domestic electronics production to Indian GDP, in %, India, FY17-FY27E



Indian domestic electronics production - Split between in-house manufacturing and EMS

Chart 3.12: Indian domestic electronics production market - Split between in-house manufacturing and EMS, value in INR billion, growth in %, FY17-FY27E



Due to the large, complex, and highly competitive nature of the electronics industry, OEMs may now focus on marketing and aftermarket services, leaving manufacturing to its EMS partners. Frequent technology changes, which an EMS player with economies of scale is better positioned to accommodate and allow for better price negotiations with raw material suppliers compared to OEMs.

Key growth drivers for the electronics industry in India

Improvement in demand and supply scenario: factors such as a stable growth outlook for the economy, the Digital India program, rising disposable incomes, changing lifestyles, emerging work-from-home culture, expansion of organized retails to tier 2 & tier 3 cities, improving electricity and internet infrastructure, and better logistics infrastructure will provide additional impetus to the industry. It is with these strong fundamentals, many global brands along with their supply chain partners have invested in electronics manufacturing infrastructure in the country in recent years.

China + 1 Strategy: OEMs are considering an alternative country for additional production rather than completely replacing China. India is well positioned to benefit from global OEM's strategy towards "China + 1" for supply chain diversification.

Localization of supply chain: High domestic volumes and consumption, and higher outsourcing volumes will influence domestic electronics manufacturers to bring in the component ecosystem locally and enhance local capabilities of component sourcing, thus making the ecosystem stronger and closer.

Emerging technologies: Electronic product life cycles are becoming shorter due to rapid technological advancement and newer products with upgraded technology. Emerging technologies such as IoT, AI, and the incorporation of robotics and analytics in the industrial and strategic electronics segments have all contributed to the overall development of electronic products, which has boosted local demand.

System automation:, the rapid growth of AI, ML, the deployment of 5G technology, edge computing, and cloud computing has necessitated hardware innovation, resulting in high demand for electronic design automation.

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

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

Make in India: In 2014, the government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set up manufacturing bases in India. As per the scheme, the government released special funds to boost the local manufacturing of mobile phones and electronic components. It has also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights, and developing the manufacturing sector. The Make in India initiative, a part of the 'Atmanirbhar Bharat Abhiyan' (Self-reliant India), would provide an additional boost to the country's business operations by encouraging the substitution of imports of low-technology products from other countries and generating demand for local manufacturing. Atmanirbhar Bharat Abhiyan is planned to get carried out in two phases:

- Phase 1: The emphasis will be on segments like medical, textiles, electronics, plastics, and toys
- Phase 2: For products like gems and jewellery, pharma, and steel, etc.

Production Linked Incentive (PLI) Scheme: The scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods. It is expected to promote exports in the next few years. As per the scheme, a total production of INR 11,500 billion is expected including INR 7,000 billion in exports in the next five years. Production Linked Incentive Scheme (PLI) for large-scale electronics manufacturing was notified in April 2020.

Chart 3.13: PLI scheme in 13 key sectors for enhancing India's manufacturing capabilities and enhancing exports, Atmanirbhar Bharat, FY21-FY22

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

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

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

Chart 3.14 (a): PLI scheme for manufacturing of medical devices, August 2020

Target Segments Eligible under PLI Scheme

- Target Segment 1 : Cancer care/Radiotherapy medical devices
- Target Segment 2: Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices
- Target Segment 3: Anaesthetics & Cardio-Respiratory medical devices including Catheters of Cardiorespiratory Category & Renal Care Medical Devices
- Target Segment 4: All Implants including implantable electronic devices like Cochlear Implants and Pacemakers

Segment	Incentive Rate (on Incremental Sales of Manufactured Goods)	Threshold Minimum Investment	Threshold Minimum Incremental Sales of Manufactured Goods
All four segments of medical devices	Year 1: 5% Year 2: 5% Year 3: 5% Year 4: 5% Year 5: 5%	INR 180 Crore over 3 Years Cumulative Minimum (Crore): Year 1: 60 Year 2: 120 Year 3: 180	Year 1: INR 120 Crore Year 2: INR 240 Crore Year 3: INR 360 Crore Year 4: INR 460 Crore Year 5: INR 560 Crore

Year 1 means Financial Year 2021-22

Source: MeitY (Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals)

Chart 3.14 (b): PLI scheme for Telecom and Networking products manufacturing in India, February 2021

Target Segments Eligible under PLI Scheme

(Support under the Scheme will be provided to companies who will manufacture specified telecom and networking products in following 4 product categories in India)

- Target Segment 1 : Core transmission Equipment
- Target Segment 2: 4G/5G, Next Generation RAN and Wireless Equipment
- Target Segment 3: Access & CPE, IoT Access Devices and Other Wireless Equipment
- Target Segment 4: Enterprise Equipment: Switch and Router

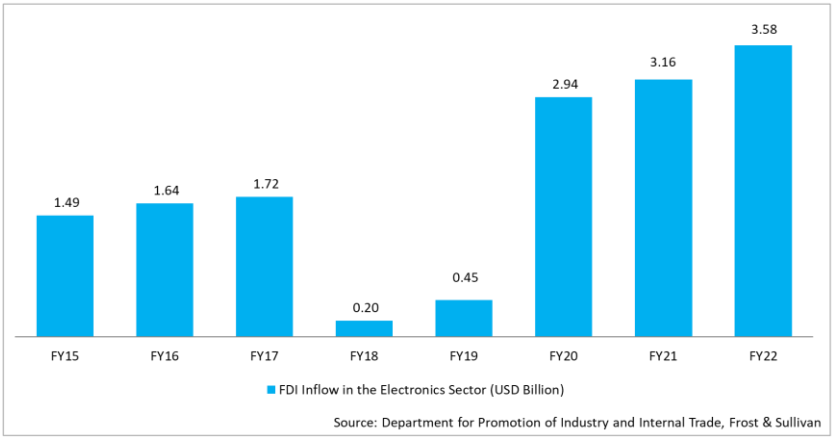
Year	Proposed Incentive Rate on incremental sales	Cumulative Investment (other than land and building)	Minimum Incremental Sales of Manufactured Goods Net of Taxes over the Base Year	Maximum Eligible Sales of Manufactured Goods Net of Taxes over the Base year
MSMEs- Minimum Threshold of Investment Rs. 10 Crores				
1	7%	Greater than or equal to 20% of X	3*(20% of X)	20*(20% of X)
3	7%	Greater than or equal to 40% of X	3*(40% of X)	20*(40% of X)
3	6%	Greater than or equal to 70% of X	3*(70% of X)	20*(70% of X)
4	5%	Greater than or equal to X	3*X	20*X
5	4%		3*X	20*X
Other than MSMEs- Minimum Threshold of Investment Rs. 100 Crores				
1	6%	Greater than or equal to 20% of X	3*(20% of X)	20*(20% of X)
3	6%	Greater than or equal to 40% of X	3*(40% of X)	20*(40% of X)
3	5%	Greater than or equal to 70% of X	3*(70% of X)	20*(70% of X)
4	5%	Greater than or equal to X	3*X	20*X
5	4%		3*X	20*X

Where X = Committed Total Investment by the Company / entity over a period of four years starting from year 2021-22 (minimum Rs. 10 Crores for MSMEs and Rs. 100 Crores for others)

Source: MeitY (Ministry of Communications, Department of Telecommunications)

BIS Certification: Importing electronics and IT products without BIS registration is now currently prohibited in India. India is tightening the quality controls for electronic products to restrain the rising import of cheap electronic items, particularly from China, and boost local manufacturing under its Make in India initiative. According to the DGFT (Directorate General of Foreign Trade) notification, every business importing and selling electronic products such as mobile phones, LED lights, etc. in India is required to register with the BIS for government clearance; failing to do so the imported goods would be re-exported back to its origin.

Chart 3.15: FDI inflow in the Electronics sector, value in USD billion, FY15-FY22



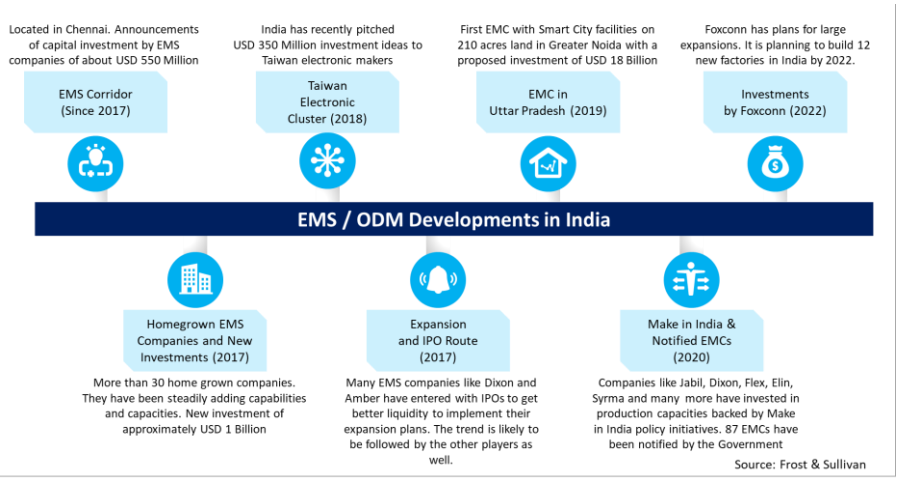
Source: Department for Promotion of Industry and Internal Trade, Frost & Sullivan

INDIAN ELECTRONICS MANUFACTURING SERVICES (EMS) INDUSTRY OVERVIEW

India EMS Industry Outlook

Introduction to the EMS industry in India

Chart 4.1: Evolution of the EMS industry in India

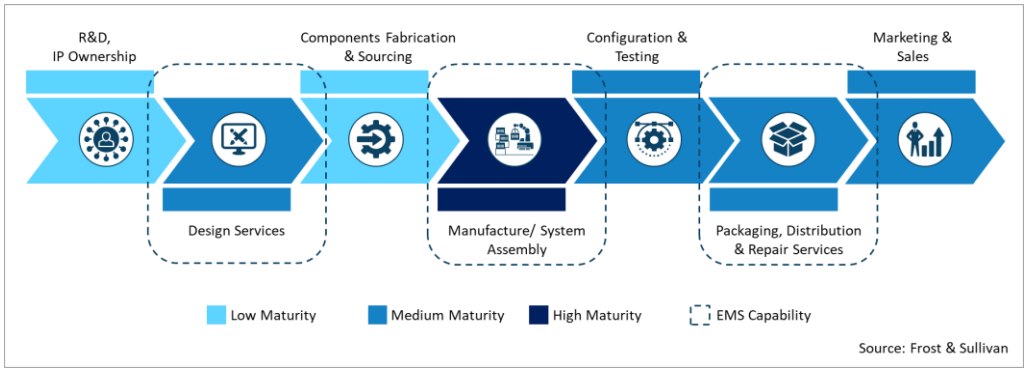


There are more than 30 players in the organized market ranging from large, medium to small. Major players are Cyient DLM, Flex, Jabil, SFO, Elin Electronics, NTL, Syrma, and Foxconn. Many EMS providers are slowly evolving to offer complete design services apart from contract manufacturing/original equipment manufacturing. This acts as a win-win situation for both EMS players as well as OEMs; EMS players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other expansion activities. Embracing the ODM model of partnership with EMS partners, coupled with venturing into new product segments, is propelling the brands to pursue EMS engagement. High volumes will influence EMS to bring in the component ecosystem locally and enhance domestic capabilities for component sourcing, thus making the electronics ecosystem stronger.

Ambitious expansion plans and capacity augmentation of indigenous EMS players to capitalize on favourable policy initiatives ensure that the EMS sector in India shall witness heightened growth in the coming days. Also, India has done well in Electronics design and is slowly establishing itself as a design hub of the world.

Indian EMS Industry Value Chain Analysis

Chart 4.2: Value Chain of the EMS Industry in India

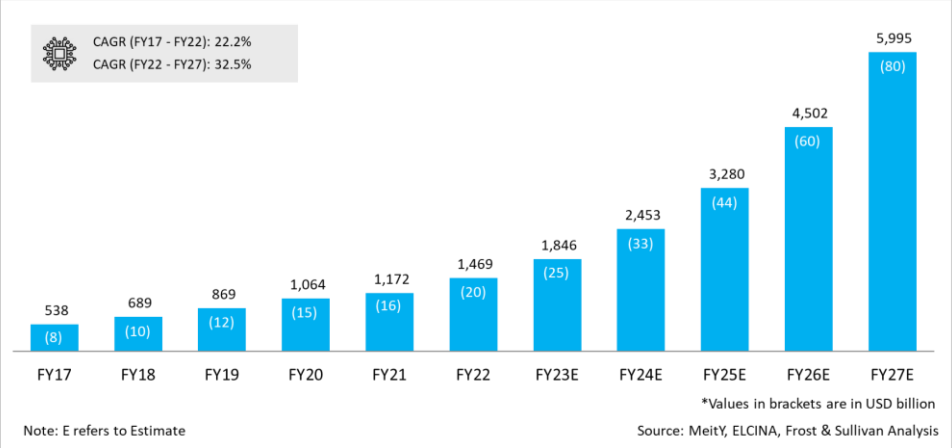


India has a competitive edge in design services, most such work is outsourced to cost-effective destinations (China, South Korea, Thailand). However, in terms of manufacturing/ system assembly, India has an established setup. Many EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. EMS players obtain higher margins through this model.

The country also has high maturity levels in packaging, distribution, repair, sales, and marketing functions to meet geographical standards and cater to local requirements. After-sales services which include repair and maintenance are important for the Indian buyer as the use-and-throw perception is still not acceptable in the Indian electronics ecosystem. Many players like Dixon, Flex, etc. are offering after-market services like repair, refurbishment, logistics, vendor management, etc. Cyient DLM leverages the design capabilities of its promoter Cyient Ltd., a leading engineering services provider with over three decades of domain expertise providing engineering and design solutions globally with a focus on multiple industries.

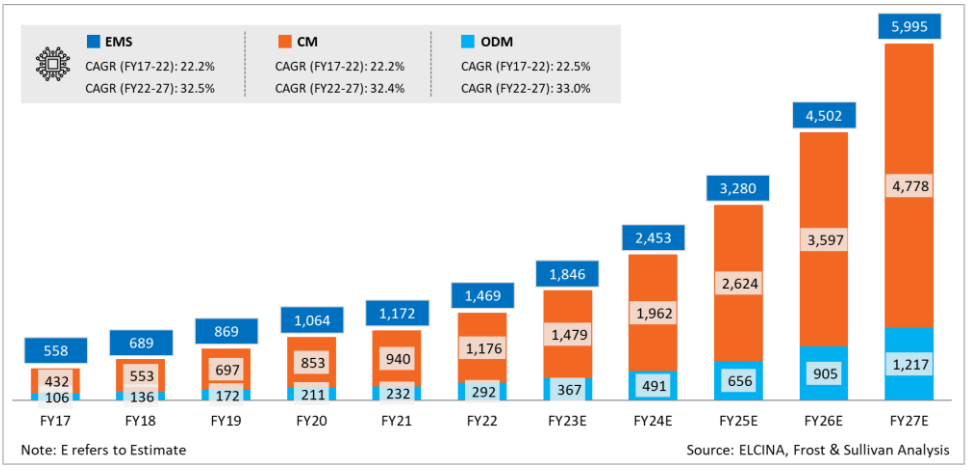
Indian EMS Industry Size and Growth Outlook

Chart 4.3: Indian EMS market, value in INR billion, USD billion, growth in %, FY17-FY27E



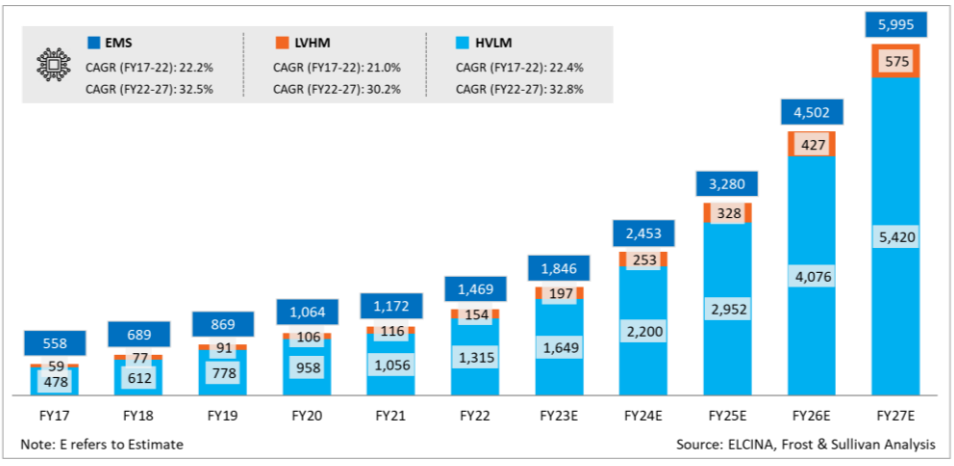
Indian EMS market segmentation by ODM vs CM

Chart 4.4: Indian EMS market segmentation by ODM vs CM, value in INR billion, USD billion, growth in %, FY17-FY27E



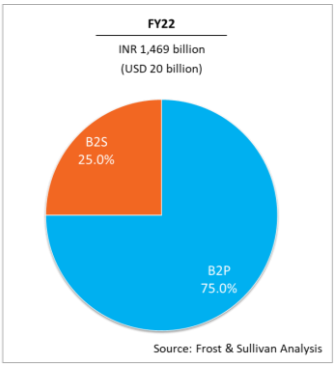
In the total EMS market, contract manufacturing (CM) accounts for approximately 80%, while original design manufacturing (ODM) accounts for the remaining 20%. EMS companies are steadily shifting towards ODM models, giving full turnkey solutions for items from design, product development to reverse logistics. Also, due to increased competition, EMS companies are striving to diversify their product offerings. In the ODM industry, innovation is critical to success. While cost reduction remains the major driver of EMS outsourcing, other factors such as improved design skills have contributed to ODM capabilities.

Chart 4.5: Indian EMS market Segmentation by HVLM vs LVHM, value in INR billion, USD billion, growth in %, FY17-FY27E



Indian EMS market segmentation by B2P Vs B2S

Chart 4.7: EMS Market break-up by B2P vs B2S, India, by Value in %, FY22

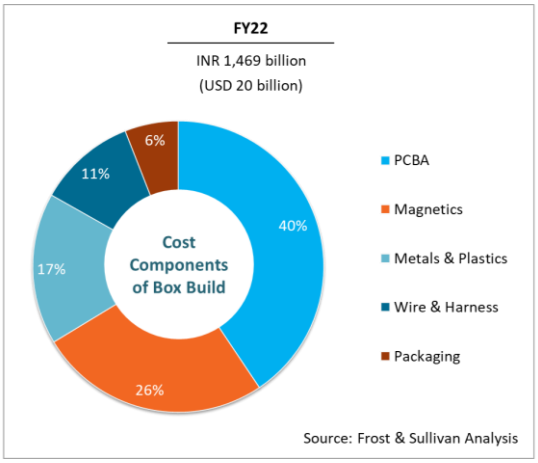


In the build-to-print (B2P) process, a client shares the EMS provider, a detailed product specification/ drawing that has been created its internal team. The EMS manufacturer is then accountable for producing the product according to those drawings. The Indian EMS market is predominantly following B2P process and accounts for 75% of the total EMS market, as the design and specifications are shared by the clients/ OEMs, who in turn own the IP.

Build to specification (B2S) refers to the process of building products from scratch, as per the client's need, function, or size requirements. EMS providers help clients develop solutions for the required needs. After discussing the EMS manufacturer will support in designing and creating a product to the given specification. In the B2S process, manufacturers help clients see a project through from start to end. Only very few players are involved in B2S process contributing to around 25% of the total EMS market in India.

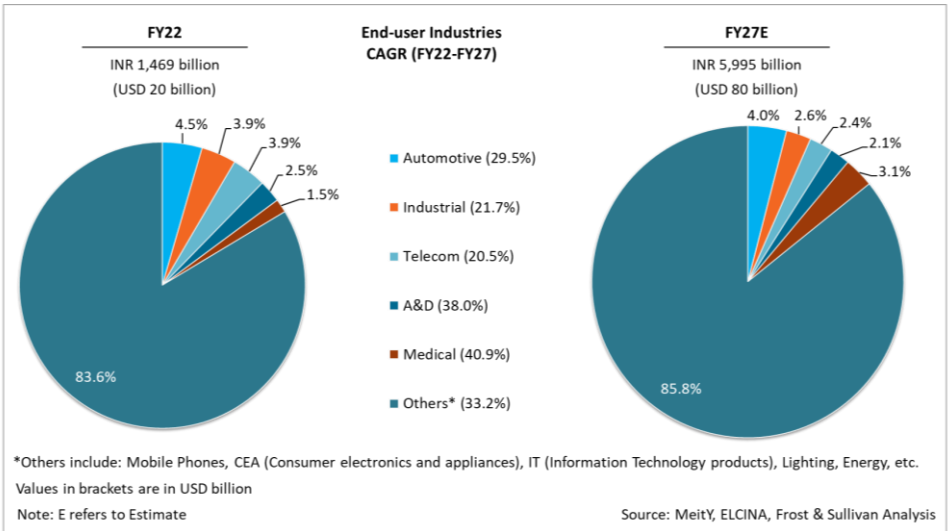
Cyient DLM's plans to set up its own design competency and continue to build upon its engineering competency will enable it to increase its current mix of B2S services and retain its position as one of the leading Indian EMS companies with the breadth of capabilities operating in the contract manufacturing space for high mix safety-critical electronics.

Chart 4.8: Box-build split by components, by Value in %, FY22



Indian EMS market segmentation by end-user industries

Chart 4.9: Indian EMS market - Segmentation by end-user industries (segment of interest), value in INR billion, USD billion, growth in %, FY22 and FY27E



The expansion of India's EMS industry is being fuelled by a variety of factors. Significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure. Due to the size, complexity, and high level of competition in the Indian market, OEMs are focusing more on marketing and aftermarket activities, leaving the production to contract manufacturers. EMS companies are better positioned to adapt to frequent technology changes, and economies of scale allow for stringer pricing negotiations with raw material suppliers. Cyient DLM's customers belong to a diverse range of high-entry-barrier industries that have stringent qualification requirements. Frost & Sullivan believes that with changing global trends, there are opportunities to diversify product range within the industry in which Cyient DLM operates. The company is well-positioned to service such changes and increases in customer requirements on account of its advanced design and manufacturing capabilities.

Aerospace and Defence: The Aerospace and Defence sector in India is at a point where modernization and indigenization programs are being undertaken. The Government of India had also identified the Aerospace and Defence sector as one of the major focus areas for the 'Make in India' (i.e., 'Atmanirbhar Bharat') program and has taken considerable steps to push forth the establishment of indigenous manufacturing infrastructure supported by requisite research and development ecosystem.

Automotive: . Passenger vehicles are expected to capture nearly two-thirds of the Indian automotive electronics market driven by the rising use of telematics control units, infotainment units, and other electronic components such as on-board diagnostics, electronic control units, anti-lock braking systems, and ADAS functions. Rising awareness among people about advanced safety and communication services, coupled with more embedded connectivity service offerings by automakers, is also one of the drivers for this market. Various government initiates, stringent emission norms and increasing awareness and adoption of EV vehicles, is driving the EV market in India.

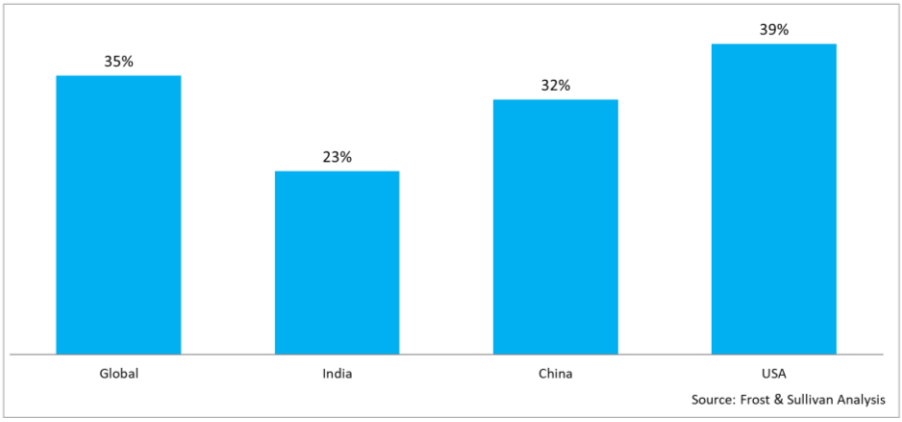
Medical:. The Indian government has planned more medical technology parks to stimulate domestic medical equipment manufacturing. These initiatives are likely to help increase the inflow of foreign direct investments, promote research & development and production advances, boosting the market for medical electronic devices.

Industrial: Industrial electronics play a vital role in improving the efficiency and productivity of industries and are anticipated to grow in industries like energy, transportation, petroleum, chemical, semiconductor, mining, agriculture, and others.

Telecom: This segment includes telecom infrastructure and networking equipment. To further expedite digital connectivity, the Government has approved the auction of IMT/5G spectrum for the deployment of 5G services within the country. There are rapid expansions in mobile network coverage which has managed to reach even the remotest of areas.

Electronics outsourcing – comparison between India and other key economies

Chart 4.10: Contribution of EMS to Total Electronics Market by key economies, by Value in %, FY22



Advantage India: A favourable destination for Electronic Manufacturing

The manufacturing scenario in India has changed a lot in the last few years. Among 190 countries, India ranked 63rd in 'Ease of Doing Business in 2021, an improvement of 79 positions in the five years between 2014 and 2020. With the recognition of the electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last 6–7 years through various policies, schemes, and incentives. The National Policy on Electronics (NPE) emphasized local value addition and created an enabling environment. The government's focus on manufacturing through Make-in-India policies attracted the interest of both global and domestic companies. The following factors will contribute to India becoming the next Electronics manufacturing hub of the world.

- Stable political government that assures global investors on consistency in policies
- Rising cost of labour in China while India is still at a lower end of this cost
- Creation of National Manufacturing Zones (NMZ), Electronics Manufacturing Clusters (EMC), close coordination between centre and states for investment promotion
- High domestic demand for products and services; local needs
- Investment by EMS companies in capabilities and capacities.
- Duties and tariffs to discourage imports and encourage domestic value addition
- Digitalization that accentuates demand for select products

Increasing contribution of India to the global EMS industry

Key growth drivers for the industry

A strong push towards Make in India:

Influx of new electronic applications going forward:

Strong regulatory push and GOI initiatives to drive electronics usage in India:

Changing geopolitical situation post COVID:

GLOBAL AND INDIA EMS - DEEP DIVE INTO FOCUS INDUSTRIES AND PRODUCTS

Chart 5.1 Summation of opportunities from select segments for Cyient DLM's EMS business in India

Industry	Market dynamics	Global EMS market size (USD billion)			India EMS* market size (INR billion)		
		2021	2026	CAGR	FY22	FY27E	CAGR
A&D	▪ A&D is one of the most complex and specialised industries in EMS ▪ India ranked 19th among the world's defence exporters in attracting the foreign investments ▪ Relaxation in FDI investment in the A&D sector aids in collaborating with global players to have a competition edge in the market	34	45	6.0%	37	186	38.0%

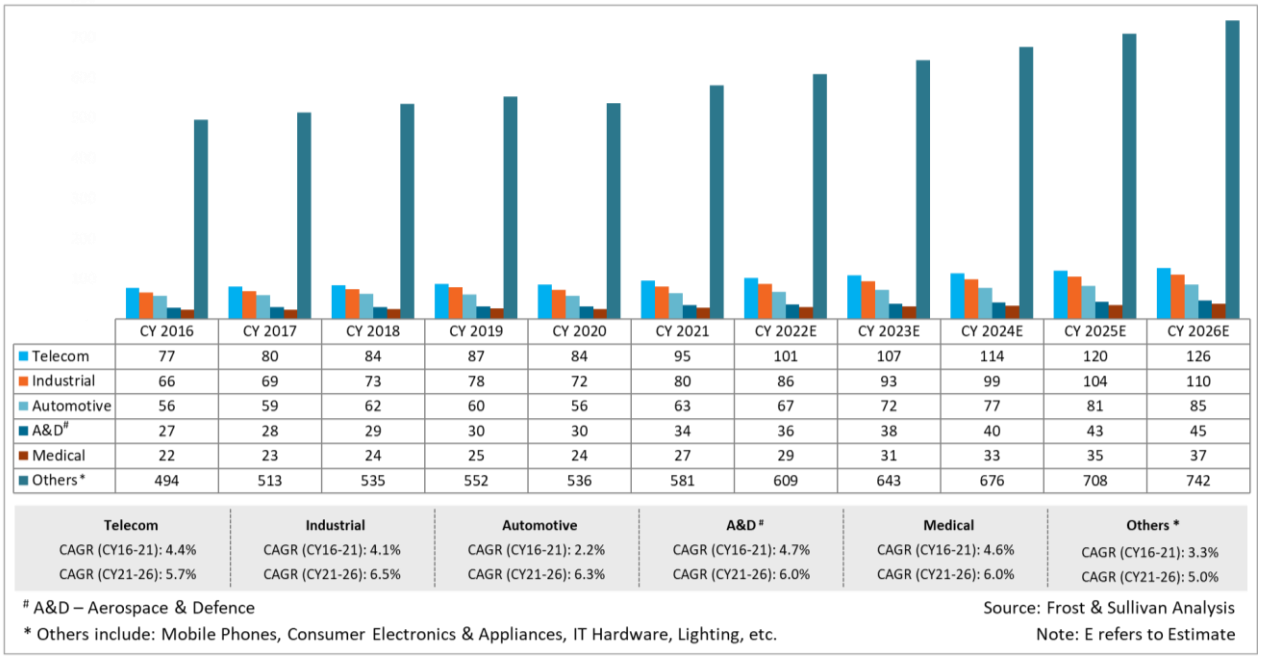
Medical	▪ Increased demand for healthcare and medical devices from rise in medical tourism. Need for high-speed analysis is also driving growth of the medical equipment's market ▪ It is backed by government's commitment to facilitate growth ▪ Development of 'medical device parks' across States create a robust ecosystem for manufacturing in India	27	37	6.0%	23	125	40.9%
Industrial	▪ India is gradually progressing towards Industry 4.0 through government initiatives ▪ The rapid adoption of modern technology, backed by cost-saving features, is driving growth in this market	80	110	6.5%	58	155	21.7%
Telecom	▪ India is one of the largest exporters of telecom equipment and this trend expected to increase ▪ Increased outsourcing to companies with design, logistics and after sales support ▪ Data centre storage solutions, BTS, GPON, IP PBX, Network infra (4G and 5G) related solutions are the key offerings of the EMS companies	95	126	5.7%	57	145	20.5%
Automotive	▪ Themes such as Connected, Autonomous, Shared and Electric are driving digitalization and requirement for EMS in this space ▪ Significantly higher usage of electronics and controls in EV ▪ ADAS, EV and Safety are fast-emerging segments	63	85	6.3%	66	240	29.5%

* Size of the Indian EMS market is defined as the total value of production of electronics components and assemblies in India, outsourced by the OEMs to the India based global or local EMS companies. These components and assemblies would then be consumed locally for manufacturing finished products (both for domestic consumption and for exports) or will be exported as components/assemblies to the global OEMs.

Indian EMS market for the target segments are poised to grow at a much faster pace than the global EMS market because of the following reasons:

1. A favourable manufacturing ecosystem (already elaborated in the previous chapters) will help India to garner higher share in the global electronics production in each of the target segments. India will be considered as one of the global electronics manufacturing hubs in the coming years.
2. Outsourcing of electronics manufacturing to the EMS companies is expected to increase significantly in the coming years as OEMs will continue to increase their focus on the core activities.
3. Indian EMS companies will export EMS services to the global OEMs for their global production facilities.

Chart 5.2: Global EMS market - Segmentation by end-user industries, value in USD billion, 2021-2026



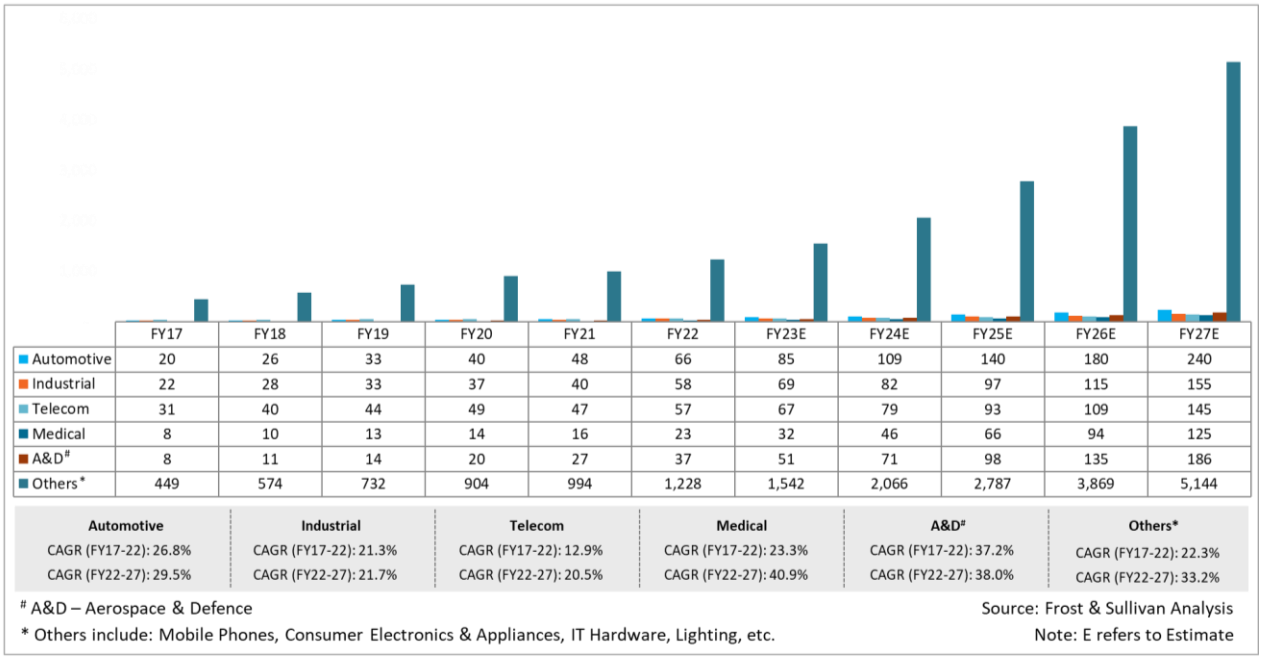
	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022E	CY 2023E	CY 2024E	CY 2025E	CY 2026E
Telecom	77	80	84	87	84	95	101	107	114	120	126
Industrial	66	69	73	78	72	80	86	93	99	104	110
Automotive	56	59	62	60	56	63	67	72	77	81	85
A&D#	27	28	29	30	30	34	36	38	40	43	45
Medical	22	23	24	25	24	27	29	31	33	35	37
Others*	494	513	535	552	536	581	609	643	676	708	742

Telecom	Industrial	Automotive	A&D #	Medical	Others *
CAGR (CY16-21): 4.4%	CAGR (CY16-21): 4.1%	CAGR (CY16-21): 2.2%	CAGR (CY16-21): 4.7%	CAGR (CY16-21): 4.6%	CAGR (CY16-21): 3.3%
CAGR (CY21-26): 5.7%	CAGR (CY21-26): 6.5%	CAGR (CY21-26): 6.3%	CAGR (CY21-26): 6.0%	CAGR (CY21-26): 6.0%	CAGR (CY21-26): 5.0%

A&D – Aerospace & Defence
* Others include: Mobile Phones, Consumer Electronics & Appliances, IT Hardware, Lighting, etc.

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

Chart 5.3: Indian EMS market - Segmentation by end-user industries, value in INR billion, FY2017-FY2027E



	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E
Automotive	20	26	33	40	48	66	85	109	140	180	240
Industrial	22	28	33	37	40	58	69	82	97	115	155
Telecom	31	40	44	49	47	57	67	79	93	109	145
Medical	8	10	13	14	16	23	32	46	66	94	125
A&D#	8	11	14	20	27	37	51	71	98	135	186
Others*	449	574	732	904	994	1,228	1,542	2,066	2,787	3,869	5,144

Automotive	Industrial	Telecom	Medical	A&D#	Others*
CAGR (FY17-22): 26.8%	CAGR (FY17-22): 21.3%	CAGR (FY17-22): 12.9%	CAGR (FY17-22): 23.3%	CAGR (FY17-22): 37.2%	CAGR (FY17-22): 22.3%
CAGR (FY22-27): 29.5%	CAGR (FY22-27): 21.7%	CAGR (FY22-27): 20.5%	CAGR (FY22-27): 40.9%	CAGR (FY22-27): 38.0%	CAGR (FY22-27): 33.2%

A&D – Aerospace & Defence
* Others include: Mobile Phones, Consumer Electronics & Appliances, IT Hardware, Lighting, etc.

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

A. Aerospace and Defence Electronics

Aerospace & Defence Industry Overview

The A&D industry typically encompasses civil aviation, defence aviation and defence equipment. The global A&D industry, which is sized at USD 720 Bn in 2021, is expected to grow at 5.9% CAGR to become USD 960 Bn market by 2026 (source: BRC). Leading commercial aerospace companies such as Boeing, Raytheon, Collins, and SpaceX, as well as emerging drone start-ups, will also provide growth in the mid-to-long term.

Meanwhile, the defence sector was steady, reporting modest growth in the US and significant growth in Europe, with global military expenditures hitting an all-time high of USD 2.1 trillion in 2021. Unlike commercial aviation, the defence end markets were unaffected by the pandemic.

India's defence capital expenditure is constantly growing, which is evident from the annual defence budget, which has increased to INR 5.25 lakh crore for FY23 from INR 4.78 lakh crore for FY22. Besides, there is increased demand for large aircraft from

Indian carriers like Indigo, SpiceJet, Tata etc. There are major initiatives from the government of India promoting a steady flow of foreign investment in this sector. This offers opportunities for start-ups as well as further expansion for the existing players.

Aerospace and Defence Electronics Production Market landscape

Across the globe, these OEMs are adopting various digital technologies such as advanced electronics for surveillance, communications, and cyber warfare that are supported by AI technology. The size of the global A&D Electronics market is USD 100 Bn in 2021 and is expected to grow at 5.9% CAGR to reach USD 133 Bn by 2026.

The Indian government has set the defence production target at USD 25 billion by 2025 (including USD 5 billion from exports by 2025). The government is taking numerous initiatives to encourage local manufacturing and reduce its external dependence on defence procurement. Advancements in sophisticated equipment such as avionic systems, radar systems, flight management system (FMS), cockpit control units, etc. will further drive the A&D Electronics market in India. The size of the Indian A&D Electronics market is INR 83 Bn in FY'22 (approximately 1.1% of the global market) and is expected to grow by 32.5% CAGR to reach INR 339 billion by FY'27, this will contribute to 3.4% share of the global A&D electronics production.

Aerospace & Defence Electronics EMS Market Landscape

Aerospace and defence are one of the most complex and specialised industries in electronics manufacturing. These applications are safety-critical with a negligible margin for error and thus require superior technical expertise and engineering capabilities from EMS players. Most of the orders are in the LVHM category because of the critical nature of the products which requires a high degree of technical expertise. Also, the industry has very high barriers to entry and requires high standards of quality with multiple certifications. The global EMS market for the A&D Electronics segment is valued at USD 34 Bn in 2021 and is expected to grow at 6% CAGR to reach USD 45 Bn by 2026. The A&D Electronics segment accounts for 3.8% share of the Global EMS market.

Indian EMS market for the A&D Electronics segment is valued at INR 37 Bn in FY'22 and is expected to grow at 38% CAGR to reach INR 186 Bn by FY'27. The A&D Electronics segment accounts for 2.5% share of the Indian EMS market.

Snapshot on Cyient DLM's key offerings in the A&D segment

- **Cockpit Display units:** Aircraft cockpit display units are used in flight instrument systems and typically used to show flight data. Advances in technology has certainly seen a spike in demand for cockpit display units as it helps in enhancing the human-machine interface. This segment is anticipated to expand at a rapid pace due to an increase in use of connectivity solutions for commercial aircraft. Various factors such as growing need and emphasis on safety and increasing focus on automated flight control will continue to drive this market in the coming years.
- **Flight Management Systems:** A flight management system, or FMS, is an air craft computer that has multiple functions right from pre-engine offset to take off landing to engine shut down. The rapid expansion of the aviation sector in India along with other benefits such as enhanced navigation, lower power consumption and reduced weight are also driving the growth in this market.
- **Surveillance Radar Systems:** The surveillance radar systems are designed typically to provide details on the location of aircraft over long or short ranges. India's growing effort towards tactical superiority is one of the key drivers for demand for next-generation combat aircraft which will drive this market forward. Another key reason that is propelling the growth of the Radar System Market can be attributed to an increase in the use of radars for unmanned vehicles.
- **Communication/ Navigation systems:** In today's day and age where there are multiple aircraft aloft at the same time, communication and navigation systems are key to safe and successful flights. An increasing number of flight retrofitting and new flight deliveries are driving the market for communication and navigation systems. This is also responsible for the procurement of aircraft antenna, etc.

Outlook of A&D EMS business in India

- Economic recovery for the aerospace and defence industry gained momentum in the year 2022 on the heels of rising demand for the air travel.
- Emerging markets such as space, supersonics/hypersonic, and Advanced Air Mobility are poised to change the industry landscape and capabilities in the coming years. According to industry outlook, organizations are most likely to invest in space-related technologies and AAM in 2023.
- Multichip modules will have a big impact on the aviation/defence and aerospace industries over the next five years. Applications are like those expected in the automotive industry, but have additional value in maintenance, safety, manufacturing, fuel management, electromagnetic radiation shielding, antennas, radar, and metamaterials.

- . The digital thread is something that connects engineering, supply chain, manufacturing, and aftermarket, and is expected to play an even more prominent role in building agility in 2023.
- There are aggressive efforts to modernize infrastructure in the aerospace and defence sector, which is estimated to consume approx. USD 70 billion in the coming decade.
- According to the Ministry of Defence, 57 offset contracts have been signed till March 2022, with a total offset obligation of USD 13.5 billion to be discharged between 2008 and 2033.
- As India is speedily modernises its military segment, the A&D industry is anticipated to consume electronics worth INR 70-72 billion over the coming decade.
- As we move ahead, technology trends such as aerial ride sharing, and autonomous vehicles is expected to help realize benefits that were never heard of before.

2. Growth drivers and key trends in the sub-segments of focus:

i) Commercial Aerospace

For the future, the market for travel, entertainment, and connectivity services will keep this industry strong for EMS over the next few years. This is because there is great demand for fast travel and all forms of connection to the Internet, and entertainment that are charged as a premium.

In India, the Commercial aviation industry is seeing a surge on the back of rise in middle income households over the last decade, increasing number of low-cost carriers, modernization of leading airports in the country. This is certainly expected to boost the commercial aviation sector in the future. India saw rapid evolution in the air cargo industry during pandemic growing from just 7 to 28 cargo freighters in the past three years. Owing to these efforts, India is the 7th largest commercial aviation in the world and is expected to jump to 3rd position in the coming decade.

Growth Drivers

- Almost all global airlines are focus on investing in digital transformation. Airlines have identified the importance of adopting digital solutions to improve their operations and increase their revenue.
- The IATA's carbon emission reduction timelines are already prompting airlines to opt for new-generation aircraft to replace older aircraft in their fleets.
- The total closure of aviation services during COVID-19-induced lockdowns created strong pent-up demand for air travel. Because passenger travel demand is directly proportional to aircraft demand, the quick recovery in air travel has led to an increase in aircraft demand.
- Favourable policies are being developed by the government which will give a boost to the aviation sector. Schemes like the UDAN-RCS have been launched by the government to increase air connectivity, affordability, and profitability.
- In 2022, a budget of INR 90,000 crore has been set aside by Airports Authority of India (AAI) and other operators, to expand or modernise the existing infrastructure of the airports.
- In 2020, the Indian government has committed an investment of INR 1 trillion, to open 100 new airports in the next 5 years, to meet the increasing air passenger traffic.

Key Trends

- The aviation industry is increasingly focused on climate change, encouraging aircraft operators to intensify emission reduction efforts.
- To address some of the top challenges by the industry, the aerospace companies are using technologies such as cloud, mobility, and big data. These technologies allow companies across the value chain to connect with each other which aid in giving decision makers the right information.

ii) Defence Aerospace

India is slowly emerging as a critical market for defence aircrafts as India continues to improve its aerial capabilities and modernizing its existing fleet of aircrafts. In its efforts to protect its borders, India is also taking giant strides towards indigenously developing military aircraft.

Growth Drivers

- India's vision to be self-reliant in defence sector is witnessing a substantial growth of over 10% year on year. Substantial changes introduced in the defence policy framework is aiding towards indigenizing content to levels of at least 50%.
- Transfer of technology and encouraging private sector to participate in defence aerospace to be aligned with industry needs.
- Relaxation in foreign direct investment (FDI) is continuing to see further relaxations to nearly 75% under the automatic route which permits companies to set up manufacturing plants.

Key Trends

- Tata Advanced Systems Ltd and Airbus Defence and Space signed a deal worth INR 20,000 crore to make military aircraft in India and opened a facility in Gujarat in 2022, It will enable to build a robust aerospace ecosystem in the subcontinent by encouraging MSMEs to produce aircraft components and spares.
- In 2021, Defence Ministry, has approved the launch of Defence Testing Infrastructure Scheme (DTIS) with an outlay of INR 400 crore to create state-of-the-art testing infrastructure and boost domestic A&D manufacturing.
- In 2021, Hindustan Aeronautics Ltd. (HAL) received a request for proposal (RFP) from the Indian Air Force for their 70 HTT-40 Basic Trainer Aircraft requirement at Aero India 2021 in Bengaluru.
- The Defence Ministry at 'Aero India 2021' announced to reduce defence imports by USD 2 billion in 2022.
- India is reportedly planning to develop an air-launched swarm drone system to equip itself against forces like China,

iii) Defence Equipments

Most product assemblies in this sector are low in volume and not commodity-like or price sensitive, so OEMs may have little motivation or requirement to outsource production assembly. In contrast, project managers of established programs like C3 (command, control, and communications) constantly look for ways to save money on COTS (commercial off-the-shelf) commodities, and EMS suppliers (including verticals such as Ducommun, NEO Tech, Sypris, or DRS Laurel Technologies) are the preferred companies to service these design and production needs. because it is a niche industry, suppliers tend to specialize in military certifications to meet specifications.

The defence equipment industry is an important sector for the economy. Defence production in FY 22 stood at INR 92,708 (USD 11 billion) crore (Source: IBEF). Countries like India are increasing their defence spends owing to rising concerns arising over national security. Military fixed wing, naval vessels and surface combatants, and missiles and missile defence systems are the largest market segments for the Indian defence sector. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other key segments. (HAL). The Government of India is taking various initiatives to reduce important dependence for procurement of defence equipment's.

Growth Drivers

- Major drivers within the defence industry are the arms race between the United States, Russia, and China, as well as the looming threats that China and Russia are perceived to pose. The threat from Russia will continue to be the major driver of the defence spending of NATO, especially amongst the Eastern European nations
- The ongoing border disputes with China and Pakistan will certainly add to the demand for defence equipment in India. Enhanced security measures are taken by the government on strengthening border infrastructure.
- To encourage the local manufacturing of defence equipment's, the Indian defence industry has kept aside a capital spend budget of USD 130 billion between 2021 and 2026. Also, the government has established defence corridors in Uttar Pradesh and Tamil Nadu to encourage indigenous production of A&D related equipments.
- India is also on its way to establishing a skill development centre with focus on promoting research for development of materials used in defence equipment's.

Key Trends

- U.S.A. DoD official documents show an increase from USD 718.3 billion in 2020 to approximately USD 747 billion in 2024 at a CAGR of 1.0%.
- Japan will steadily improve its defence capabilities through the Medium-Term Defence Programme (FY2019 – FY2023).
- A USD 2 billion increase in the 2019 defence budget is part of a structured growth plan to meet the 2% GDP target on defence spending by 2025 in Germany.

- Turkey’s defence budget exhibits a high growth rate and is on track to reach the NATO mandated spending by 2024
- In 2020, the Union Ministry of Defence formulated the Defence Production & Export Promotion Policy 2020 as an essential guidance document to fast-track the government’s commitment for the 'Atmanirbhar Bharat' and provide a streamlined, and significant boost to country's defence production capabilities for self-reliance and exports.
- There is a growing emphasis on supply chain management in defence. i.e.,
- IESA, along with the NASSCOM have put together draft recommendations on a “Defence Electronics Policy” The policy references indicate that India not only needs to form world-class companies, but it is vital to bring them in the global value chain of the OEMs.
- Defence ministry plans to set aside 101 defence items under the import embargo to offer the potential military hardware manufacturing opportunities to the Indian defence sector.
- There is an increasing trend in promoting private companies, MSMEs and start-ups in the defence industry allocating a budget of nearly INR 21,000 crores in FY 23.
- According to recent data, there are close to 70 AI based projects planned until FY 2024 out of which 40 projects have already come to fruition.

B. Medical Electronics

Medical Equipment Industry Overview

As the healthcare sector adapts to the changes induced by the pandemic, it is undergoing a major transformation in terms of technology adoption, new product development, and care delivery approach. The global Medtech OEMs are investing heavily in R&D and launching new devices to cater to post-pandemic-related demands. Major demand generators include MRI, X-Ray, Ultrasounds, etc. and patient aids include hearing aids and pacemakers, etc.

In line with the global trend, The Indian Healthcare sector is also incessantly growing due to its strengthening coverage, services, and growing expenditure by public and private players. The medical tourism and luxury healthcare markets are among India's fastest-growing industries, which create significant demand for specialized, high-tech medical equipment.

Medical Electronics Production Market landscape

The adoption of minimally invasive surgery techniques, the rising adoption of surgical robots, and the gradual shift of some procedures to outpatient settings will continue to drive the uptake of some medical device categories, including consumables.

The government has come up with multiple initiatives to promote India’s medical equipment manufacturing sector. It was recognized as a focus sector in 2014 by the government during the Make in India campaign.

Nearly 65% of the manufacturers in India are domestic companies operating in the consumables segment and catering to local demand with limited exports. Large MNCs dominate the higher end of the market with widespread service networks. Domestic OEMs operate in the low-cost, high-volume market segments, whereas the global players operate in the high-tech device segment, which is mostly catered through imports.

Medical Electronics EMS Market Landscape

At present, EMS companies are pursuing the hugely under-penetrated medical electronics market in India for substantial growth opportunities. Most of the innovative start-ups are looking at EMS companies that are adequately certified with advanced infrastructure, to support them in the difficult stage of product realization and mass manufacturing.

Snapshot on Cyient DLM’s key offerings in the Medical Electronics segment

- **Patient care monitoring equipment:** Patient monitoring involves the use of equipment to continually monitor a patient's vital indicators using a medical monitor and collect medical and other types of health data. Considering its importance, companies are increasing their production of such monitoring equipment on a large scale. Rising occurrences of chronic diseases because of changes in lifestyle, a growing inclination for home and remote monitoring, and the convenience and portability of devices are the primary reasons driving the market.
- **Diagnostic equipment:** Equipment for diagnostic imaging include X-rays, MRI scans, CT scans, ultrasonography, and nuclear imaging, among others. This market is driven by the rising demand for early and accurate disease diagnosis, the expansion of imaging modalities' application profiles coupled with the rising prevalence of infectious diseases, ongoing technological advancements in diagnostic imaging, and the continued integration of imaging modalities with artificial intelligence and other digital tools.

Outlook of Medical Electronics EMS production in India

- An influx of private equity capital—even in the regulated and reimbursed markets—is helping the provider space scale quickly;
- While digital is becoming the norm for medical device company operations (such as sales and marketing), it is also pushing medtech to deliver value for providers and patients with devices and digital data. New business models are emerging (platform approaches, for example),
- The Government of India's 'Make in India' initiative presents a platform for the sector to revisit the operating model, identify key imperatives for growth and explore possibilities for creating a step change in the medical devices sector.
- In 2021, the government approved a medical devices park in Oragadam (Tamil Nadu) which is expected to attract an estimated investment of INR 3,500 Crore and offer direct and indirect employment to nearly 10,000 people.
- In 2020, the government set up a National Medical Devices Promotion Council to promote the local manufacturing of high-end medical devices and attract the investments in the sector, which is expected to create more investments in next 5 years.
- Hyderabad is emerging as the medical device's hub in the country. Establishment of the country's largest medical devices park in Sultanpur in 2017 has attracted more than 40 companies to set up units till 2020.

Growth drivers and key trends in the sub-segments of focus:

i) Laboratory Equipment

. These equipment's are getting smaller and smaller as new technologies are abolishing these equipments like series of pumps and valves which are required to store samples. New technologies include recent advancements in fluidic components which can integrate multiple laboratory functions into a single chip requiring smaller amounts of samples.

A high demand for customised instrumentation from various applications has opened a huge potential for growth in the laboratory equipment's market in India. Regulations mandating quality assurance activities especially in the healthcare sector has further accelerated the market growth. It is heartening to note that India's laboratory equipment manufacturing industry is recording rapid growth due to growing strategic alliances for increased investment in the healthcare sector.

Growth Drivers

- Increasing chronic diseases for example chronic respiratory diseases, cardiovascular diseases and diabetes, and growing incidence of lifestyle diseases like heart disease, atherosclerosis, obesity and hereditary disease like haemophilia, Down's syndrome, sickle cell anaemia and cystic fibrosis are leading to the swelling demand of laboratory equipment to bring innovative technologies in the market.
- The industry's growth is driven by the need for achieving keener accuracy in diagnosis with finer laboratory apparatus, reduced downtime, effectively meeting all quality control standards and cost-effectiveness.
- The industry's focus on high-speed analysis will result in the right selection of lab equipment's. Advanced packed columns result in faster, more accurate, and more reliable analysis than open tubular columns.

Key Trends

- There is a trend for smaller and easy-to-use instruments with built-in connectivity.
- A lot of demonstration for medical students which is required to provide them with requisite knowledge is driving factor for requirement of laboratory equipment

ii) Medical Equipment

By mid-2021, most parts of the world began to witness a gradual release of the pent-up demand for elective surgeries as coronavirus cases began to decline.

The majority of outsourced medical product assemblies are performed by small to medium-sized EMS companies worldwide.

Most new medical companies are like new communications equipment companies—they are disinclined to manufacture the products they design and prefer to partner with an EMS supplier—so this segment is usually very promising for EMS.

There has been an increased innovation in the handheld portable medical devices like blood pressure monitors, oximeter, glucometer, portable ECG monitors, etc. The innovations have prompted an increased demand for the medical electronics.

Continuously rising healthcare expenditure acting as a growth catalyst for the market in Indian economy. Medical infrastructure along with growing adoption rates of advanced equipment's, with a potential for strong domestic demand and other supporting factors, India is set to emerge as an ideal destination for the purpose of setting up manufacturing facilities, especially for the global companies looking to align their global manufacturing footprint with shifting consumption patterns.

Growth Drivers

- The healthcare industry's focus is shifting to value-based, patient-centric remote monitoring solutions, which will necessitate the introduction and boost the adoption of non-contact patient monitoring technologies.
- Improvements in interoperability will drive market growth as hospitals shift to integrated monitoring solutions for enhanced patient data analysis and accessibility.
- The growing adoption of minimally invasive surgery techniques and surgical robots will continue.
- Electronic medical devices are gaining appeal across all age groups. Advanced technology appeals to younger people and makes self-care easier for older patients.

Key Trends

- The gradual release of pent-up demand for elective surgeries-as COVID-19 cases reduced-helped medtech OEMs cope with the revenue lost in 2020/early 2021.
- The cardiology segment witnessed a significant boost of more than 75% in 2021 (growth rate over 2020) due to the increased uptake of technologically advanced cardiology devices.
- Government schemes focused on medical equipment manufacturing: The Indian government is focused on developing medical electronics as a popular manufacturing stream in the country through its initiatives like IIPME i.e., Industry Innovation Programme on Medical Electronics.
- The digitalization of medical devices will continue, and OEMs are digitalizing their devices and operations. Advancements in configuration and connectivity have spurred new types of robotic surgeries, wherein surgeons use remote surgery tools.

iii) In-Vitro Diagnostics

The change in reimbursement for diagnostic testing, pressure from Protecting Access to Medicare Act, regulatory trends in Europe, demand for large-scale testing, shift to precision diagnostics, emerging companies, and evolving business models demand assessing portfolio, evaluating competitor strategies, and exploring opportunities for business growth. Clinical chemistry and immunoassays dominate the revenue share; molecular diagnostics and point-of-care-testing continue to grow at the highest rates; and tissue diagnostics and haemostasis will experience moderate growth followed by rest of the technology segments.

The top-10 companies serving the IVD industry together accounted for 65.2% of the global revenue in 2020, while the top-20 companies together made up 78.8% of the global proceeds.

Growth Drivers

- Rising awareness of personalized medicine is driving the integration of liquid biopsy Next Generation Sequencing (NGS) based Companion Diagnostics (CDx) in standard cancer care.
- Developing multiplex assays that integrate the separate IVDs enabling lower testing cost and support data generation (e.g., POCT) has provided growth opportunity for existing participants and entry of new players.
- Cost-effective automated IHC and ISH instruments for tissue diagnostics will act as a key driver on account of declining number of pathologists.
- With consistent increase in chronic and infectious diseases, diagnostic laboratories in India are under immense pressure to deliver accurate results in a faster and cost-effective manner. This makes the laboratory diagnostics market well poised for tremendous growth.
- The competition between labs is increasing, resulting in faster delivery of accurate data in a cost-effective manner, which is the current need. Hence there is an increase in demand for automated and semi-automated IVD equipments.
- Manufacturers are upgrading their instruments to be IVDR (In Vitro Diagnostic Regulation)-compliant to sell in the European market. This compliance requirement will improve the need for advanced clinical consumables.

Key Trends

- APAC is witnessing a random growth in the uptake of innovative technologies. The burgeoning number of clinical trials and the plethora of pharmaceutical companies that have established R&D centres in Asia are key contributors for such transformation.
- Rapid growth and demand in remote diagnostics and patient monitoring.
- Manufacturers across segments are launching newer products with better technologies such as multitasking reagents and wider range application equipment.

C. Industrial Electronics

Industrial Equipment Industry Overview

Industrial electronics generally refers to the use of electronics for power and control systems, outside of the field of communications. The industrial electronics plays important role in improving efficiency and productivity of multiple industries such as manufacturing, energy, transportation, chemicals, mining, and agriculture.

The rapid adoption of modern technology, backed by cost optimization features, is driving the growth of this market. The demand for factory automation solutions in India is anticipated to surge with an increase in domestic manufacturing and an emphasis on increased process efficiency. Industrial Automation is currently focused on promoting Industry 4.0, or the digitization of industry, with IIoT-based solutions for smart manufacturing.

Industrial Electronics Production Market landscape

Several factors contribute to India's potential to participate in global markets. First, the value chain is well-positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship. Followed by the required skilled and semi-skilled labour in the manufacturing sector, and finally a strong push and support from the government.

Industrial Electronics EMS Market Landscape

Most of the large manufacturing companies are investing heavily in the technological up-gradation of their facilities by adopting digitization and industry 4.0 concepts. This will increase demand for Industrial electronics products which in turn will boost the EMS industry.

Snapshot on Cyient DLM's key offerings in the Industrial segment

- **Building Technology / clean energy products:** The phrase building technology refers to the methods and technical processes used in a building's construction. Architects are gradually moving away from creating different variations of a standard building and shifting toward building consistently original prototypes. With this emerging trend comes much more demanding building performance requirements and a greater amount of distinctive products and specialist suppliers.

  Indian renewable energy sector is the 4th most attractive renewable energy market in the world with 4th in wind power and 5th in solar power. India is targeting initially approximately 1 million tonnes of annual green hydrogen production by 2030.

- **Flow measurement and analysis units:** Flow Measurement is the process of assessing fluid in plant or industry. With huge capacity expansions planned for the refining and the infrastructure in India, it is estimated that the flowmeter market will get started on a robust growth track during the forecast period.

- **Room and plant controllers:** The control room is where the operators perform plant operations using control systems every day, and a safe, comfortable, and functional environment helps operators to run the plant more competently. The control room must therefore be designed accordingly to fulfil the plant requirement.

Outlook of Industrial EMS business in India

- Organised manufacturing is the biggest private sector employer in India. The manufacturing sector of India has the potential to reach USD 1 trillion by 2025 (Source: IBEF).
- India is an attractive hub for foreign investments in the manufacturing sector. Several brands have set up or are looking to establish their manufacturing bases in the country.

Growth drivers and key trends in the sub-segments of focus:

i) Field control devices

Field control devices are products that connect any building management system to its physical environment. The energy-efficient operation of any facility is dependent on the precise and reliable operation of field devices, such as sensors, valves, and actuators.

There is heavy reliance on industry sensors for factory automation and industry 4.0. To monitor the health of the equipment, sensors such as motion, environmental, and vibration sensors are used.

Growth Drivers

- The increasing demand for valve diagnostics and remote condition monitoring services is expected to minimize the costs and amount of downtime and improve efficiency.
    - There is an increase in demand for digital technologies and smart solutions from process industries.
- Enhanced safety regulations and stricter emission norms are driving the need to upgrade existing manufacturing facilities;
- Owing to exposure to severe conditions, the rate of replacement and repair of valves and their accessories for existing plants has increased.

Key Trends

- Additionally, the requirement for the flow measurement in oil and gas in response to rigorous rules related to controlling harmful gas emissions from the power plants is driving the adoption of flow sensors.AI-based Sensors for Valve Performance Management: Sensors embedded in valves must be efficient, intelligent, context-aware, dependable, accurate, and linked, in order to accomplish the high level of automation necessary in today's smart IoT applications.

ii) Actuators

There is a sudden surge in demand for actuators with an ever-increasing utilization of automated machinery/systems. These actuators play a vital role in the automation process. Actuators are typically responsible for moving, controlling, or positioning a mechanism or system, to make the working of automated equipment seamless and easy. The demand for actuator in the industrial automation is expected to continue to grow over the next five years driven by need for increased performance in industrial automation, consumer electronics, Internet of Things (IoT), and implantable electronic applications.

Growth Drivers

- Miniaturization has been driving the sensors and actuators market, supported by the growth of new sensor and actuator modalities by leveraging the semiconductor expertise.
- Electrical actuation systems find applications which are safe to use, easy to reconfigure, and require low maintenance when compared with the hydraulic and pneumatic actuation systems. This has led to soaring demand for the electrical actuator solutions and is anticipated to be a major driver boosting growth of actuator market

Key Trends

- Sensors and actuators are an essential part of the industrial automation system as they help accomplish precision and efficiency.
- The country provides an opportunity to install these technologies at a larger scale to bring economies of scale. The Indian Government is taking steps to push the implementation of emerging technologies with innovative proposals, including Make in India, Digital India, Smart Cities, etc. These plans are expected to further boost the actuators market in the country.

iii) Building Tech

Building tech or building automation solutions is being revolutionized by increasing industry convergence and the emergence of innovative technologies. This has led to a rapid increase in the digitalization of buildings, resulting in a spurt in demand for smart buildings and BMS systems.

One of the key drivers for growth of this market is Smart cities in India. As more and more cities turn smart, the adoption of Building tech and Building Management Systems is on the rise.

Growth Drivers

- The COVID-19 pandemic has accelerated the adoption of digital solutions in buildings and created several opportunities essential to the growth of the building technologies market.

- Increasing demand for energy-efficient and sustainable buildings is acting as a market growth catalyst. One of the easiest ways to reduce energy usage is through BMS deployment.
- Simplified and effective building operation and maintenance are emerging as market growth accelerators.

Key Trends

- The two technologies that are at the juncture in the building construction segment are Augmented Reality and Virtual Reality.
- The Covid-19 pandemic has encouraged investments and financing mechanisms for sustainable buildings through many recovery plans for the building sector.

iv) Intelligent Field modules

Smart transmitters are intelligent field instruments that are either purely loop-fed or in addition supplied with auxiliary energy.

Growth Drivers

- In these times of constantly rising industrial demand, machine downtime is costly. A networked factory facilitates planning and hence helps prevent interruptions in production. Rising adoption of smart transmitters pushing the IFM market in growth path

Key Trends

- Trends in smart transmitters include low power consumption, low space requirement, better functionality, better performance, safety considerations, and preventive maintenance

A. Telecom Electronics

Telecom Equipment Industry Overview

Increasing competition from non-telecom service providers, abridged network investments, and the rise of digital media and mobile technology is forcing telecom operators to drastically change their business models and service offerings to survive.

India is currently the world's second-largest telecommunications market. Over the next five years, increased mobile phone penetration and reduced data prices will add 500 million additional internet users in India. There is a need for deep penetration of broadband networks to propel the telecom and networking products sector in India. It is also estimated that 5G technology is going to contribute nearly USD 450 billion to the Indian Economy in the period of 2023-2040.

Telecom Electronics Production Market landscape

Next-generation applications arising from the confluence of faster and more reliable 5G connectivity, distributed computing, and AI will spark growing interest in multi-access edge computing and private cellular networks. These new networks, services, and applications will create opportunities for telecom electronics products like GPON, IP PBX, and Media Gateway as well as Router and Modems.

In October 2021, the government notified 100% foreign direct investment through the automatic route from the previous 49% in the telecommunications sector. The PLI scheme in telecom and networking products aims to make India a global hub of manufacturing telecom equipment.

Telecom Electronics EMS Market Landscape

The OEMs' requirements in this industry are technical expertise in the manufacturing of large and complex PCBAs and quick ramp-up capabilities.

The technologies allow for the efficient manufacturing of telecom equipment as India aspires to become a major manufacturing hub. Going forward, an increasing trend of outsourcing design, R&D, and manufacturing will open opportunities for EMS players.

India aspires to be a major original equipment manufacturer of telecommunications and networking products.

Outlook of Telecom EMS business in India

- The enterprise market for private cellular networks and edge computing is gaining momentum. As the importance of coverage and capacity grows, telecom infrastructure service providers have expanded potential to assist Telco's.
- In 2021, The Department of Telecommunications (DoT) had announced PLI scheme for Telecom and Networking. The government has granted approval to 42 companies including 38 MSMEs under this scheme. The companies have

committed investment of INR 4,115 crores and is expected to generate additional sales of INR 2.45 Lakh crores over next five years.

Growth drivers and key trends in the sub-segments of focus:

i) Network Infrastructure

The rapid development and deployment of the 5th-generation (5G) wireless ecosystem will lead to the overhaul of the legacy network infrastructure. Concurrently, network operators will embrace cloud-based network infrastructure, services, and solutions. Sixth generation (6G) is the next big thing in the telecom business, and its development will run at the same time with the standardization and eventual deployment of 5G.

Implementing cloud-native solutions for network testing that can help overcome the limitations of legacy solutions and support network operators' digital transformation objectives will become table stakes in the global telecommunications industry.

Increased potential will result from a focus on customer experience and network quality, as well as growing demand for wireless data services, 4G, and broadband wireless access networks.

Over the last seven years, the Indian Telecom Tower industry has grown significantly by 65%. The number of mobile towers increased from 400,000 in 2014 to 660,000 in 2021. Similarly, the number of Mobile Base Transceiver Stations have grown rapidly by 187% and increased from 800,000 in 2014 to 2.3 mn in 2021. The DoT is targeting a combination of 100% broadband connectivity in the villages, 55% fiberisation of mobile towers, average broadband speeds of 25 mbps and 30 lakh kms of optic fibre rollouts by December 2022.

Growth Drivers

- Rapid commercialization of 5G networks to drive the market for wireless network test equipment
- Move toward virtualization, Self-Organizing Networks, and centralized RAN in the network infrastructure to auger demand for software-based testing solutions.
- Demand for data analytics and revenue assurance among network operators enhances need for efficient network monitoring solutions.
- There is an increased telecom coverage and capacity. Having innovation at the core, Indian telecom tower business has carved a world-wide niche in terms of infrastructure sharing. By focusing on right mix of competencies & business opportunities, the tower industry is expected to drive the next infrastructure revolution & recognize the vision of broadband for all in India.

Key Trends

- Network function virtualization and the deployment of Software-Defined Networking are important trends driving the segment. The trends will need network monitoring probes that are compatible with a virtualized network infrastructure.
- Major trends that will positively influence the Self-Organizing Networks testing equipment market include LTE proliferation and rapid 5G deployment, the incorporation of SON capabilities into legacy-based network infrastructures, enhanced customer experience management, and global adoption of SON technology
- Significant fabrication and infrastructural improvements are being carried out to bring in 5G and high-speed connection, and this has been a key focus area from 2021 and beyond.
- The year 2022 and beyond can be seen as an era of hyper connectivity (anything, anywhere and at any time). This is going to create huge security challenges, and henceforth, there is tremendous emphasis on security. There will be imminent threats, and henceforth, the complete device, application, and the network infrastructure eco-system are being developed as part of mitigating security challenges.

ii) Data Centre

Enterprises and governments need to rely on best-in-class data centres and digital infrastructure in today's digital world. Enterprises increasingly outsource their data operations to third-party colocation services providers specializing in data centre operations.

COVID-19 is accelerating the digital adoption journey of enterprises further, creating higher demand for storage and compute capabilities. Competition in the industry is intensifying to address global demand from carrier-neutral and telecom service providers.

India is amongst the key players in the data centre sector in the APAC region. In India, data centre infrastructure is increasing exponentially, with a growing preference for the Cloud and increased data consumption and generation by more than half a billion digital users. The Indian data centre market is likely to add 3,900-4,100 MW of capacity with INR 1.05-Rs 1.20 lakh crore as investment in the coming five years. Larger hyper-scaler companies like Amazon Web Services, Google, Microsoft, Facebook, IBM, Uber, and Dropbox etc are outsourcing their storage requirements to third-party data centre providers.

Growth Drivers

- The growth of data center colocation services is forecast to be fueled by the growing need for hyperscale capacity from public cloud providers and OTT content and media segments.
- Enterprise digital transformation and the migration of IT workloads to third-party data centers continue to drive the retail growth of data center colocation services.
- Emerging market segments like crypto mining and cryptocurrency exchanges are forecast to generate demand for colocation services in the medium to long terms.
- The Government of India and several state governments are modifying their data centre policies to support the infrastructural growth of data centres in India through the tax subsidies. Under a national policy framework for data centres, the IT ministry aims to provide up to INR 15,000 crore as incentives. As per industry policy, the government plans to invest up to INR 3 lakh crore in the data centre ecosystem, over the next five years.

Key Trends

- As enterprises adopt AI strategies, high-density colocation capabilities will emerge as an important prerequisite in selecting a data centre colocation service provider.
- The industry revenues are anticipated to increase at a CAGR of just about 18-19% during FY2022-FY2024, supported by the increase in rack capacity utilisation and ramp-up of the new data centres.

B. Automotive Electronics

Automotive Industry overview

Broadly the industry comprises of products such as commercial vehicles, passenger, three-wheeler, and two-wheeler. Several leading OEMs are planning to shift to in-house chip production through strategic alliances with leading semiconductor manufacturers. Chip manufacturers are also actively expanding their production capacity to meet the surging demand in the automotive space. Many are entering the EV space and plan to launch smart vehicles. Automotive OS, autonomous mobility-as-a-service, and purpose-built vehicles are forecast to gain prominence in the coming years.

In India, Government Initiatives such as the 'Automotive Mission Plan' target production of 940 million vehicles by FY26 with an annual output value of INR 19.7 Lakh Crore bodes well for the market. Statutory requirements on emissions and safety are expected to generate significant demand for locally manufactured products. Maruti Suzuki and Hyundai Motors account for more than 50% of the passenger vehicles market.

3. Automotive Electronics Production Market Landscape

In the Automotive Electronics industry, the top 5 products, namely, Engine Control Unit (ECU), EV/HV, HVAC, Infotainment, and Lighting account for 95% of the demand. ECU contributes to a major portion of the overall automotive electronics. Adoption of various safety features such as ABS, ADAS, Air bags, etc. is expected to increase in the coming years.

Over the last decade, various global economies have implemented stricter emission standards, especially for private cars. The Electric vehicle (EV) industry is witnessing a substantial proliferation and supremacy within the automotive industry.

Even though there is a significant level of local value additions in the Indian automotive electronics industry, the industry is still highly reliant on imported components. There is a presence of many domestic electronics suppliers for the Indian automotive industry. Auto OEMs are being pushed to enhance their localization of auto electronics, focusing on procuring components from domestic suppliers to avoid high import duties and save on logistics costs.

Automotive Electronics EMS Market Landscape

In its efforts to move to electrification, automotive manufacturers are progressively matching the pace of technological growth. Due to the introduction of electric and hybrid vehicles, the automotive EMS industry is predicted to gain further momentum.

The Auto OEMs are interested in collaborating with Indian EMS providers to offer solutions that demonstrate their capabilities while also improving system-level understanding.

Outlook of Automotive EMS business in India

- The government of India has announced various incentive packages such as the semiconductor manufacturing scheme, the FAME -II scheme extended until 2024, PLI scheme for auto and auto component sectors, and PLI for various other cell technologies are expected to provide an enormous impetus to the sector as it endeavours to implement various innovative technologies.
- India is expected to become one of the leaders in the shared mobility space by 2030. This opens up big opportunities for both electric and autonomous vehicles
- the rapidly growing electronics content will accelerate the growth of EMS revenue from this vertical.
- The Government of India intends to establish R&D centres under NATRiP (National Automotive Testing and R&D Infrastructure Project) at a total expenditure of US$ 388.5 million in order to bring the sector up to global standards.

Growth drivers and key trends in the sub-segments of focus:

i) Advanced Driver Assist System (ADAS)

The automotive industry value chain is transitioning from its traditional pyramidal form to one that is flat. Technology companies working with original equipment manufacturers (OEMs) and tiered suppliers to develop, validate, supply, and integrate advanced driver-assist technologies to enhance the comfort and convenience of the driver in the vehicle.

Growth Drivers

- Driven by regulation, consumer acceptance, and rapid strides in active safety system technology, the penetration of Advanced Driver Assist Systems (ADAS) in LV has grown at a blistering pace.

Key Trends

- L0 – No Assistance: Single sensor-based ADAS warning systems such as BSD, FCW, and RCTA are likely to grow in 'A' segment vehicles in developed markets and A, B, and C segments in emerging markets
- L1 – Feet off: The L1 ADAS market penetration is forecasted to grow exponentially in North America and Europe by 2025 due to GSR regulation and voluntary fitment
- L3 – Eyes off: ALKS regulations will promote the increased L3 feature adoption in flagship vehicles of premium OEMs, closely followed by mass-market OEMs in select countries
- L4 – Mind off: Robotaxis and autonomous parking features will open the L4 market by 2025

ii) Electric Vehicle (EV)

Global EV penetration increased from 4.4% in 2020 to 8.8% in 2021. APAC recorded a 151.7% YoY growth, the highest among others, helping it widen the gap between itself and Europe in 2021. EV charging point installations surpassed 1.5 million points compared to 1.1 million in 2020, with China (accounting for 65%) having the maximum number. Advanced features, such as V2G services, business intelligence, blockchain technology, and suggestive charging pattern, will be available and preferred by network operators in the next 5 years of management/aggregator cloud platforms. Leading battery manufacturers (BYD, CATL, and LG Chem) and OEMs (for example, BYD, Daimler, and VW) are now looking at next-generation battery technology.

Growth Drivers

- The global push towards electrification and fuel economy has led to ever-stringent emission norms. This has resulted in some regions already committing to ICE bans.
- Countries across the global are working towards ambitious plans such as 'Net Zero' emissions by 2050 and ICE vehicle ban from 2030 in some regions
- Battery electric vehicles with longer ranges are comparatively priced than ICE vehicles. An increasing number of fast charging stations will reduce the range anxiety and charging capability
- In India, NITI Aayog is currently targeting a commercial EV penetration of nearly 70%, a two-wheeler, and three-wheeler EV penetration of 80% by 2030. Some of the policy support initiatives launched by the government to increase EV adoption include FAME 1 and FAME 2 India scheme, PLI scheme, Battery swapping policy, tax exemptions and many such initiatives.

Key Trends

- Charging infrastructure development: OEMs will now shift to advanced charging systems, such as bi-directional charging, which enables functions such as V2G.
- Next generation battery technology: Transformation towards alternate battery structure (cell to pack) and chemistry (solid-state, hybrid chemistry, such as LFP and NMC)
- Wireless Battery Management System (WBMS): WBMS aims to reduce possible mechanical failures due to cables, harnesses, and connectors by eliminating 90% of all wiring and cabling
- Transition to Silicon Carbide (SiC) based Power Electronics: SiC based PE architecture (along with the Powertrain-based Domain Control Unit) becoming the most powerful features than OEMs require. Leading semiconductor manufacturers and OEMs are rapidly moving towards SiC.
- The technological shift to 800V architecture will disrupt the market as the charging dynamics transform from 400V to 800V. It is expected that post 2025, majority of the OEMs will shift towards the 800V architecture.

iii) Safety

Active safety systems include antilock braking system (ABS), electrical brakeforce distribution (EBD) and electronic stability control (ESC). Airbags and seat belts are also known as passive safety systems. The revenue for these systems is usually from the OEMs to the tier suppliers who integrate the hardware, and the software is integrated by the OEMs themselves.

Growth Drivers and Trends

- Safety features on a vehicle are increasing, with more focus towards ADAS features.
- Many active safety features have been mandated across the world and OEMs are exploring other ways to make vehicle safer as a part of their goal to achieve zero fatalities towards the end of the decade. Safety requirements set by institutions such as NCAP becoming more and more stringent.
- It is expected that the safety features that were limited to the premium segment of the passenger vehicle market will trickle to the mass-market segments as well.

COMPETITION OVERVIEW

Global EMS Industry

Industry structure

The global EMS market is addressed by more than 1,000 players. However, the top 10 players contribute to 53% of the market. Hon Hai Technology (Foxconn Group) is the market leader, accounting for nearly 24% of the market in 2020 and 4.8x times larger than the nearest competitor. Pegatron, Quanta, Compal Wistron, Jabil and Flex are some of the leading players in the EMS market. The entire universe of peers (both Indian & Global) has been included in this report and some of them might not be directly comparable to Cyient DLM in terms of Business Model.

Chart 6.1: Industry structure of EMS market, Global, 2021



Business analysis of key Global companies

Chart 6.2: Company background of key EMS companies, Global, 2021

Name of the EMS Company	Head Office	Year of Inc.	Company Background
Jabil Inc.	St. Petersburg, Florida, USA	1966	• Jabil Inc. is an American worldwide manufacturing services company headquartered in the Gateway area of St. Petersburg, Florida
Flex Ltd.	Singapore	1969	• Flex Ltd. is an American Singaporean-domiciled multinational diversified manufacturing company. Company delivers technology innovation, supply chain, and manufacturing solutions to various industries.
Sanmina Corp.	San Jose, California, USA	1980	• Sanmina Corporation is an American electronics manufacturing services provider headquartered in San Jose, California that serves OEMs in communications and computer hardware fields
Celestica Inc.	Toronto, Canada	1994	• Celestica Inc. is a Canadian multinational electronics manufacturing services company headquartered in Toronto, Ontario.
Plexus Corp.	Neenah, Wisconsin, USA	1979	• Plexus Corp is an electronic manufacturing services provider. The company provides support in the areas of design and development, supply chain, launch of new products, manufacturing, and aftermarket to companies with mid-to-low volume, higher complexity products
Team Precision Public Co. Ltd.	Thailand	1996	• Team Precision Public Company Limited is a leading Electronic Manufacturing Solutions provider in Thailand, with over a decade of experience.

Source: Company websites; Frost & Sullivan Analysis

Chart 6.3: Market share, Service offered, Focus end-user segments, Strategy and Future outlook of key EMS companies, Global, 2021

Name of the Company	Market Share	Services offered	Focus end-user segments	Strategy	Outlook
Jabil Inc.	3.3%	* Precision Injection Molding and Tooling * Radio Frequency Identification Technology (RFID) * Rapid Prototyping Services * Offer Design Services * Sustainable Packaging * Others	* Appliances * Automotive * Defense & Aerospace * Healthcare * Networking & Telecommunication * Others	* Establish and maintain long-term customer relationships * Product diversification * Utilize customer-centric business units * Leverage Global Production * Offer Systems Assembly, Direct-Order Fulfillment and Configure-to-Order Services * Pursue Acquisition Opportunities Selectively	* Jabil is expected to maintain continued solid operating performance, driven by the continuation of outsourcing and increasing electronics content across a diversified set of end markets.
Flex Ltd.	2.7%	* Industrial Design * System Architecture * Mechanical Design * Embedded System Design * Others	* Communications * Enterprise, and Cloud * Consumer Devices * Automotive * Health Solutions * Industrial	* Increasing company's technology capability and expand portfolio of higher-margin solutions * Continue investing in areas where company can differentiate and add value, whether through engineering and design services, product technologies or developing differentiated processes and business methods	* Company is expected to demonstrate strong financial discipline and execution, and continue to invest in businesses for sustainable growth and margin expansion
Sanmina Corp.	0.8%	* Design & Engineering * New Product Development * Systems Manufacturing * Global Services and Logistics * PCB Assembly & SMT	* Communications networks * Computing and storage * Healthcare * Aerospace & Defence * Industrial & Automotive	* Capitalizing on comprehensive Solutions * Extending Technology Capabilities * Promoting New Product Introduction (NPI) and Joint Design Manufacturing (JDM) Solutions * Continuing to Penetrate Diverse End Markets * Pursuing Strategic Transactions * Continuing to Seek Cost Savings and Efficiency Improvements	* Penetrating diverse end markets that company believe can offer significant growth opportunities going forward

Celestica Inc.	0.6%	* Design and engineering * Hardware platform solutions * Aftermarket services * Supply chain	* Health tech * Communication * Aerospace & Defense * Consumer * Robotics	* Increase penetration in company's End markets/ offerings * Selectively pursue acquisitions and strategic transactions * Continuous improve operational performance * Develop and grow trusted relationships * Invest in Developing New Technology, Quality Products, Supply Chain Solutions and Services	* Increased research and design activities with a very strong hardware patent portfolio will keep the growth momentum intact going forward
Plexus Corp.	0.4%	* Design and development * Supply chain solution * Aftermarket services * New product introduction	* Industrial * Healthcare & life science * A&D	* Company's strategy includes focusing on engineering innovative solutions and partnering with disruptive global companies	* Maintain sustainable growth by providing value added solutions to customers
Team Precision Public Co. Ltd.	0.01%	* Design & Prototyping * Mass Manufacturing * Logistics & Warehousing services	* Industrial * Medical * Communication * Specialty * Consumer	* Balance the business by diversifying markets into multiple regions and serving multiple industries * Manage financial statements under changing economic conditions and maintain company growth	* The Company intends to create value and provide shareholders with good returns continuously while sustaining the Company's growth

*Market share based on operating revenue to the global EMS market

Source: Company websites; Frost & Sullivan Analysis

Financial benchmarking of key Global companies

Chart 6.4 (a): Profitability ratios – Revenue, Material Margin, EBITDA margin, Global, 2019-2021

	Operating Revenue[1] (%)			Material margin[2] (%)			EBITDA margin[3] (%)		
Name of the EMS Company	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
Jabil Inc.	27,266.0	29,285.0	33,478.0	7.1%	8.1%	7.9%	4.5%	6.7%	6.9%
Flex Ltd.	24,210.0	24,124.0	26,041.0	6.3%	7.4%	7.5%	3.3%	5.6%	6.9%
Sanmina Corp.	6,960.4	6,756.6	7,890.5	7.6%	8.2%	8.1%	4.9%	6.5%	5.7%
Celestica Inc.	5,748.1	5,634.7	5,207.4	7.6%	8.6%	8.6%	4.4%	5.2%	5.5%
Plexus Corp.	3,390.4	3,368.9	3,811.4	9.2%	9.6%	9.1%	6.1%	7.0%	6.2%
Team Precision Public Co. Ltd.	59.7	78.2	63.6	9.1%	13.5%	15.8%	2.0%	10.2%	10.8%

Source: Annual Reports of Companies published websites; Frost & Sullivan Analysis

[1] Operating Revenue = Net Sales (excluding other income); [2] Material margin = (Net Sales – Cost of Sales)/ Net Sales; [3]EBITDA Margin = (Income before income taxes + Depreciation & Amortization + Interest expense)/ Net Sales

Chart 6.4 (b): Profitability ratios – Net Margin, RoE, RoCE, Global, 2019-2021

	Net margin[4] (%)			RoE[5] (%)			RoCE[6] (%)		
Name of the EMS Company	2019	2020	2021	2019	2020	2021	2019	2020	2021
Jabil Inc.	0.2%	2.4%	3.0%	3.1%	35.2%	43.4%	19.0%	41.7%	42.0%
Flex Ltd.	0.4%	2.5%	3.6%	3.0%	19.6%	24.9%	4.5%	10.2%	12.5%
Sanmina Corp.	2.0%	4.0%	3.2%	8.5%	15.3%	13.7%	11.3%	14.4%	15.1%
Celestica Inc.	1.1%	1.8%	2.0%	4.4%	7.2%	6.8%	6.4%	7.4%	7.7%
Plexus Corp.	3.5%	4.1%	3.6%	12.7%	13.9%	13.0%	10.9%	12.7%	10.6%
Team Precision Public Co. Ltd.	-0.9%	8.1%	8.8%	-2.1%	23.5%	19.7%	-1.7%	19.1%	14.8%

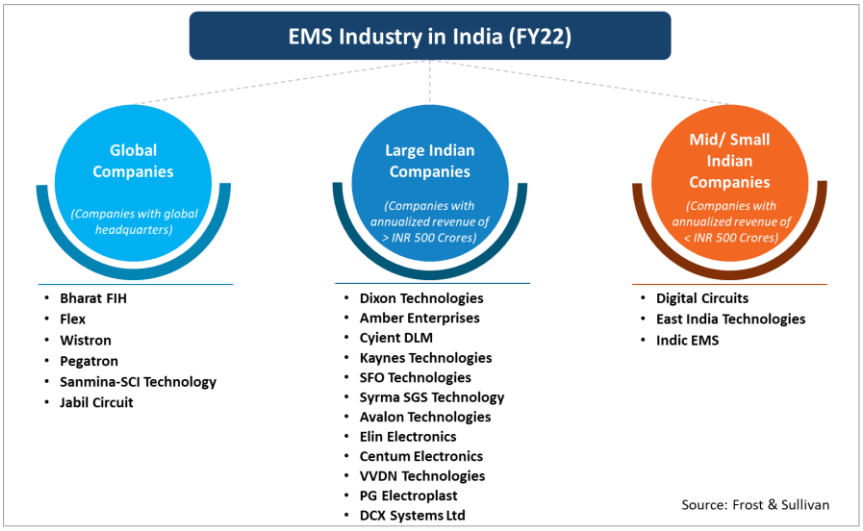
Source: Annual Reports of Companies published websites; Frost & Sullivan Analysis

[4] Net Margin = Net income/ Net sales; [5] RoE = Net income/ Average of beginning and closing period of Total shareholders Equity; [6] RoCE = (EBIT + Other income)/ Capital employed [EBIT = (Profit Before Tax + Interest Expense – Other income); Capital employed = Total shareholders' equity + Long-term borrowings + Short-term borrowings + Non-current lease liabilities + Current lease liabilities]

Indian EMS Industry

Industry structure

Chart 6.5: Industry structure of EMS market in India, FY22



There are more than 30 organized companies in the EMS industry ranging from large, medium-sized, to small players and categorized by global and domestic players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, Cyient DLM, SFO Technologies, Syrma, Elin, Avalon Technologies etc. The competition concentration is moderate as the top 3 companies account for ~ 30% of the market. EMS companies in India have matured from being mere contract manufacturers to end-to-end support partners today.

Business analysis of key Indian companies

Chart 6.6: Company background of key EMS companies, India, FY22

Name of the EMS Company	Head Office	Company Background
Cyient DLM Ltd.	Hyderabad	• Cyient is a global engineering and technology solutions company. They engage with customers across their value chain helping to design, build, operate, and maintain the products and services that make them leaders and respected brands in their industries and markets
SFO Technologies Pvt. Ltd.	Kochi	• SFO Technologies, a subsidiary of the NeST Group of Companies, was founded in 1990. It has a diversified portfolio with a global footprint and multi-domain competence in EMS, ODM, SI, and ADM.
Centum Electronics Ltd.	Bangalore	• Centum Electronics Limited is an Indian electronics system design and manufacturing company. The company produces subsystems and microelectronics, and provides system integration services
Syrma SGS Technology Ltd.	Chennai	• Syrma SGS, founded in 1978 by industry pioneers (Tandon family), is a leading exporter of electronic products, providing high-value integrated design and production solution for globally recognized OEMs.
Avalon Technologies Ltd.	Chennai	• Avalon, incorporated in 1999, is a fully vertically integrated design and manufacturing services company that caters to a wide range of industry segments. They are a leader in high mix, flexible volume production.
Kaynes Technology India Ltd.	Mysore	• Kaynes Technology, is a prominent player in the Electronics System & Design Manufacturing Services, having a strong worldwide presence.
VVDN Technologies Pvt. Ltd.	Gurugram	• VVDN is a global leader in product engineering and manufacturing with clients in a range of technical domains. Apart India, the company supports global customers across US, Canada, Europe, Vietnam and Japan.
DCX Systems Ltd.	Bangalore	• Established in the year 2011 DCX Systems Ltd formerly known as DCX Cable Assemblies Pvt. Ltd. offers System Integration and interconnection solutions to the Defense & Aerospace sector.

Source: Company websites; Frost & Sullivan Analysis

Chart 6.7: Service offered, Focus end-user segments, Strategy and Future outlook of key EMS companies, India, FY22

Name of the Company	Market Share*	Services offered	Focus end-user segments	Strategy	Outlook
Cyient DLM Ltd.	0.5%	* E2E manufacturing * Assembly and repair capabilities * Re-engineering services	* Aerospace & Defence * Medical * Energy & Industrial * Rail Transport	* Strategic buyout to accelerate ramp up for a strategic customer coupled with a long-term deal in the Automotive & Mobility vertical	* Cyient DLM aims to create a niche in high mix industry * Opportunistic play in Communications and Automotive industry
SFO Technologies Pvt. Ltd.	1.1%	* Hardware Design Services * Hardware Testing & certification * Software Services * Software Testing * Manufacturing Services * Testing & Certification * After market support	* Healthcare/ Medical Diagnostics * Automobile/ Transportation * Communications * Aerospace & Defence * Energy & Industrial	* To transform SFO into a customer focused organization and achieve economies of scale in operations and Supply chain Management, company created a matrix of Strategic Business Units and Corporate Group Functional Units,	* SFO group will continue to benefit from its strong market position and healthy relationships with reputed clients
Centum Electronics Ltd.	0.5%	* Engineering Services * Manufacturing Services * Aftersales Services	* Aerospace * Space * Communications * Defence * Medical * Transportation * Automotive	* To focus on global markets in the high reliability segments of Strategic Electronics, Medical, Industrial and Mobility where entry barrier is very high * To become a one-stop-shop solution provider and to develop strong end-to-end capabilities to work with customers from concept to commissioning and lifecycle management.	* ESDM industry has been recognized as one of the 25 priority sectors in the Make in India initiative to contribute to economic growth. Centum is seeing the benefits of this trend in the form of new opportunities from existing and new customers.
Syrma SGS Technology Ltd.	0.9%	* Product Design * Prototyping * Product Assembly * Quality & Testing * Supply & Logistics * After market	•Industrial •Consumer Electronics •Automotive •Computer •Medical •Railways	* Maintaining strong relationships with key customers and to the growth of their business. * As part of company's business strategy, company intend to continue pursuing strategic acquisition opportunities in India and abroad * Company maintains high level of inventory of raw materials, work in progress and finished goods, in order to pursue their expansion strategy	* Increasing company's wallet share from existing customers, and catering to more end-use industries. * Syrma SGS Technology, has set an ambitious target to more than triple its current revenue of INR 1,000 crore in the next three years supported by its investment in capacity expansion,
Avalon Technologies Ltd.	0.6%	* PCBA Design & Assembly * Wire Harnesses, Magnetics * Electro-Mechanical Integration (EMI) * Sheet Metal Fabrication * Injection Moulded Plastics * Complete system integration * Product testing	* Transportation * Aerospace * Power & Energy * Communication * Healthcare * Automotive * Industrial	* Continue to consolidate company's position in well-established end-use industries including industrial, communications, mobility, and medical devices * To cross sell company's products to existing customers enable them to market their products with negligible expenditure on marketing	* The company will be benefitted over the medium term on the back of established presence in the industry for more than two decades * Company has adequate liquidity marked by moderate net cash accruals to meet its maturing debt obligations
Kaynes Technology India Ltd.	0.5%	* ODM * OEM Manufacturing * Systems Integration * Product Service Support	* Defense & Aerospace * Railways & other Transportation * Healthcare * Automotive * IT & Telecom * Power & Energy & Industrial Automation & Controls	* Diverse and global customer base with a low customer revenue concentration * Long standing relationships with customers, an opportunity for increased wallet share	* Deep connects with the start-up ecosystem that can help partner with the next generation companies very early * Growing through consolidation, acquire, and partnership models

VVDN Technologies Pvt. Ltd.	0.5%	* Embedded Product Design and Manufacturing * Hardware Design * Software Design * Mechanical Design * QA & Testing * Prototyping and Manufacturing	* Communications (5G, Networking & Wi-Fi, VISION, IoT, Clouds & apps)	* VVDN entered into a strategic alliance with Blue Star for Co-Developing and Manufacturing new-generation controllers for Air Conditioners	* VVDN expands its operations in Europe, focusing on revenue of USD 500 Mn in next 3 years * VVDN to invest INR 500 crore in Tamilnadu plant
DCX Systems Ltd	0.8%	* Supplying Cable assemblies/ Harness assemblies and Electro-Mechanical Assemblies, * Subsystems, System integrations & Testing, * Maintenance -Repair-Overhauling (MRO) & Lifetime product support.	* Defence (Aerospace, Land & Naval Defence systems, Satellites & Civil Aviation	* Company is embarking on a growth strategy that involves expansion of their operations through addition of new business verticals, expanding their customer base and international presence, and improving their operational efficiencies through backward integration, supply chain rationalization and effective resource planning	* DCX is well positioned to capture the growth in exports and increase operational efficiency going forward

*Market share based on operating revenue to the Indian EMS market

Source: Company websites; Frost & Sullivan Analysis

Financial benchmarking of key Indian companies

Chart 6.8 (a): Profitability ratios – Operating Revenue, Material Margin, EBITDA margin, India, FY20-H1FY23

	Operating Revenue[1] (%)				Material margin[2] (%)				EBITDA margin[3] (%)			
Name of the EMS Company	**FY20**	**FY21**	**FY22**	**H1FY23**	**FY20**	**FY21**	**FY22**	**H1FY23**	**FY20**	**FY21**	**FY22**	**H1FY23**
Cyient DLM Ltd.	4,570.9	6,280.3	7,205.3	3,402.7	20.2%	21.1%	24.5%	22.2%	3.0%	7.3%	11.7%	10.4%
SFO Technologies Pvt. Ltd.	17,889.7	16,593.4	NA	NA	35.8%	38.2%	NA	NA	11.3%	9.5%	NA	NA
Centum Electronics Ltd.*	8,832.6	8,174.3	7,799.4	4,095.8	59.7%	57.7%	61.3%	55.9%	9.9%	10.8%	1.2%	10.4%
Syrma SGS Technology Ltd.*	3,970.8	4,383.0	10,197.2	8,562.4	43.5%	36.5%	29.7%	31.1%	15.6%	10.7%	9.3%	9.4%
Avalon Technologies Ltd.	6,418.7	6,904.7	8,407.2	NA	35.9%	34.0%	34.1%	NA	10.0%	9.6%	14.0%	NA
Kaynes Technology India Ltd.	3,682.4	4,206.3	7,062.5	NA	34.4%	32.0%	30.7%	NA	11.2%	9.7%	13.3%	NA
VVDN Technologies Pvt. Ltd.	3,090.9	6,659.8	NA	NA	66.6%	50.1%	NA	NA	-6.4%	11.7%	NA	NA
DCX Systems Ltd. *	4,492.6	6,411.6	11,022.7	NA	9.2%	3.5%	9.2%	NA	1.4%	1.6%	6.1%	NA

* Listed companies; NA – Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

[1] Operating Revenue = Revenue from operations (excluding other income); [2] Material margin = (Revenue from operations – Cost of Goods Sold)/ Revenue from operations; [3]EBITDA Margin = (Profit before tax + Depreciation & Amortization + Finance Cost – Other income)/ Revenue from operations

Chart 6.8 (b): Profitability ratios – Net Margin, RoE, RoCE, India, FY20-H1FY23

	Net margin[4] (%)				RoE[5] (%)				RoCE[6] (%)			
Name of the EMS Company	**FY20**	**FY21**	**FY22**	**H1FY23**	**FY20**	**FY21**	**FY22**	**H1FY23**	**FY20**	**FY21**	**FY22**	**H1FY23**
Cyient DLM Ltd.	-1.5%	1.9%	5.5%	3.9%	-22.1%	37.3%	69.4%	10.5%	3.3%	11.5%	17.6%	6.3%
SFO Technologies Pvt. Ltd.	4.2%	2.3%	NA	NA	14.1%	6.4%	NA	NA	18.1%	13.0%	NA	NA
Centum Electronics Ltd.*	1.9%	1.5%	-6.9%	2.3%	7.1%	5.1%	-24.4%	4.9%	11.1%	8.0%	-5.0%	4.9%
Syrma SGS Technology Ltd.*	11.1%	7.3%	5.6%	5.4%	51.9%	18.7%	13.7%	4.5%	31.4%	13.5%	10.9%	4.3%
Avalon Technologies Ltd.	1.9%	3.3%	8.1%	NA	265.6%	145.8%	118.1%	NA	21.7%	16.2%	27.5%	NA
Kaynes Technology India Ltd.	2.5%	2.3%	5.9%	NA	9.5%	8.0%	24.3%	NA	13.6%	12.1%	21.5%	NA
VVDN Technologies Pvt. Ltd.	-5.4%	6.5%	NA	NA	-20.9%	45.6%	NA	NA	-5.6%	16.4%	NA	NA
DCX Systems Ltd. *	2.2%	4.6%	6.0%	NA	78.9%	92.4%	79.8%	NA	13.8%	27.1%	14.0%	NA

* Listed companies; NA – Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

[4] Net Margin = Profit after tax/ Net sales; [5] RoE = Profit after tax / Average of beginning and closing period of Total Equity; [6] RoCE = (EBIT + Other income)/ Capital employed [EBIT = (Profit Before Tax + Interest Expense – Other income); Capital employed = (Total Equity + Long Term Borrowings + Short Term Borrowings + Long Term Lease Liabilities + Short Term Lease Liabilities)]

Note: H1FY23 RoE and RoCE are not annualised

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also the sections entitled "Risk Factors", "Industry Overview", "Restated Summary Statement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 107, 210 and 266, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, 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 unless the context requires otherwise, the financial information included herein is based on our Restated Summary Statement included in this Draft Red Herring Prospectus. For further information, see "Restated Summary Statement" on page 210. Unless the context otherwise requires, in this section, references to "the Company", "our Company", "we", "us" and "our", are to Cyient DLM Limited. Unless the context otherwise requires, references to our "customer" or "customers" shall be deemed to include affiliates or group entities of our customers, as applicable.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Market Assessment for India EMS Industry" dated January 7, 2023 (the "**Frost & Sullivan Report**") prepared and issued by Frost & Sullivan, appointed by us pursuant to engagement letter dated November 19, 2022 and exclusively commissioned and paid for by us in connection with the Issue. The data included herein includes excerpts from the Frost & Sullivan Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Frost & Sullivan Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from Frost & Sullivan, appointed by our Company pursuant to an engagement letter dated November 19, 2022. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 36. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 14.*

Overview

We are one of the leading integrated Electronic Manufacturing Services ("**EMS**") and solutions providers (*Source: Frost & Sullivan Report*) with strong capabilities across the value chain and the entire life cycle of a product. With over two decades of experience in developing high mix, low-to-medium volume highly complex systems, we are a qualified supplier to global OEMs in the aerospace and defence, medical technology and industrial sectors. We are one of the few EMS companies in India catering to highly regulated industries and the largest supplier of EMS services to the aerospace and defence industry by value in India (*Source: Frost & Sullivan Report*).

We leverage the design capabilities of our Promoter, Cyient Limited, a leading engineering services provider with over three decades of domain expertise providing engineering and design solutions globally with a focus on multiple industries (*Source: Frost & Sullivan Report*). Our Electronic Manufacturing Services are provided as Build to Print ("**B2P**") and Build to Specification ("**B2S**") services to our clients. Our B2P solutions involve our client providing the design for the product for which we provide agile and flexible manufacturing services. Our B2S services involve utilising our Promoter's design capabilities to design the relevant product based on the specifications provided by the client and manufacturing the product. Our solutions primarily comprise: (i) printed circuit board ("**PCB**") assembly ("**PCBA**"), (ii) cable harnesses, and (iii) box builds which are used in safety critical systems such as cockpits, inflight systems, landing systems, and medical diagnostic equipment.

The EMS market is witnessing strong tailwinds. The India EMS is a sizeable industry, contributing to 2.2% (USD 20 billion) of the global EMS market in 2022. India's EMS industry is the fastest growing among all countries at a CAGR of 32.3% and is expected to contribute 7.0% (USD 80 billion) of the global EMS market in 2026. There continues to be a strong push from the government to make India an ideal location for electronics manufacturing in the region. With clear benefits in terms of production efficiency, reduced overhead, labour costs, and faster new product introductions, OEMs today continue to collaborate with EMSs to develop their products. In addition, OEMs are also increasingly moving product design and development processes, to EMS partners (*Source: Frost & Sullivan Report*). We are well positioned to take advantage of these tailwinds on the back of our solutions-oriented approach, client-focused service and track record of reliability. Being a wholly-owned subsidiary of Cyient Limited, our relationship with our Promoter allows us to benefit from its reputation, customer relationships, global salesforce, network and technical expertise, making us one of the industry's leading integrated EMS and solutions providers in India (*Source: Frost & Sullivan Report*).

Our customers belong to a diverse range of high-entry-barrier industries that have stringent quality and qualification requirements. We enjoy long-term relationships as an integrated partner to multiple marquee customers such as Honeywell International Inc. ("**Honeywell**"), Thales Global Services S.A.S ("**Thales**"), ABB Inc, Bharat Electronics Limited and Molbio

Diagnostics Private Limited, having had an average relationship of over 11 years as on September 30, 2022 with the aforementioned customers. We provide services across the product life cycle for our clients by acting as an integrated service provider who can support their manufacturing and after-market services needs, as well as their design needs by leveraging our Promoter's design team. As a strategic partner to clients across highly regulated industries, we enjoy long-term relationships with high customer stickiness and a high proportion of repeat business, which allows us to have strong visibility on future revenue and a stable client base.

Our manufacturing infrastructure comprises three facilities spread across two states in India, at Mysuru, Hyderabad and Bengaluru, with a total manufacturing area of 229,061 sq. ft. Our Mysuru facility has a manufacturing area of 65,929 sq. ft. and is primarily engaged in the manufacture of PCBA, cable harnesses and box builds for clients in the aerospace and defence industries. Our Hyderabad facility, which is located in a special economic zone, has a manufacturing area of 150,932 sq. ft. and is primarily engaged in the manufacture of PCBA, cable harnesses and box builds for clients based in non-aerospace and non-defence industries, such as medical technology and healthcare. Our Bengaluru facility has a manufacturing area of 12,200 sq. ft. and is focused on high-precision manufacturing. Our manufacturing facilities have received various quality and standard certifications, details of which are set out in "- *Our Manufacturing Facilities*" on page 163. Further, we have a workforce of 616 qualified and skilled manufacturing personnel as on the date of this Draft Red Herring Prospectus, which is further supported by a new product introduction (NPI) and engineering team of a total of 68 engineers as on the date of this Draft Red Herring Prospectus, which helps us support our clients on technical aspects and provide value added services like design for assembly, design for manufacturing, design for testing, design for packaging, and process engineering to our clients. Our NPI capabilities are dedicated towards supporting seamless product introduction for our customers, through to market launch, and assisting them optimize the time to market for a new product.

We have a diversified Board with an average of over seven years in the EMS industry, which is supplemented by our strong professional management team, with an average of over 20 years of industry experience. Our senior management team includes our Managing Director, Rajendra Velagapudi, Chief Executive Officer and Business Head, Anthony Montalbano, our Chief Operating Officer, Ram Dornala and our Chief Financial Officer, Shrinivas Appaji Kulkarni. We believe our experienced and dedicated management team also enables us to capture market opportunities, formulate and execute business strategies, manage customer expectations and proactively address changes in market conditions.

Operating and Financial Metrics

Financial metrics

We have one of the highest margins in the Indian EMS industry (*Source: Frost & Sullivan Report*). Further, we also have a robust order book of ₹ 25,467.72 million as of September 30, 2022, as well as a pipeline of prospective projects for which the contracts are currently at various stages of negotiation.The table below sets out some of our financial and other metrics as at and for the six months period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020:

Particulars	As at and for the six months period ended September 30, 2022	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021	As at and for the financial year ended March 31, 2020
Revenue from operations[(1)] (₹ in million)	3,402.70	7,205.33	6,280.28	4,570.87
Revenue Growth[(2)] (year on year) (%)	N.A.	14.73%	37.40%	(4.87%)
Gross Profit[(3)] (₹ in million)	507.00	1,130.27	790.30	484.31
Gross Profit Margin[(4)] (in %)	14.90%	15.69%	12.58%	10.60%
EBITDA[(5)] (₹ in million)	352.35	840.40	459.44	137.32
EBITDA Margin[(6)] (in %)	10.36%	11.66%	7.32%	3.00%
EBIT (₹ in million) [(7)]	253.42	647.54	274.82	31.53
EBIT Margin (in %)[(8)]	7.45%	8.99%	4.38%	0.69%
Profit/(loss) before tax [(9)] (₹ in million)	186.70	507.30	155.95	(72.16)
Profit/(loss) for the year/period[(10)] (₹ in million)	134.22	397.95	118.14	(67.04)
Profit/(loss) margin[(11)] (in %)	3.94%	5.52%	1.88%	(1.47)%
Asset Turnover ratio[(12)]	0.38[(16)]	1.01	1.01	0.86
Free cash flow[(13)] (₹ in million)	31.64	408.29	75.41	(667.40)
Total cash[(14)] (₹ in million)	1,267.94	1,218.08	341.76	661.45

Particulars	As at and for the six months period ended September 30, 2022	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021	As at and for the financial year ended March 31, 2020
Return on Capital Employed (ROCE)[15] (%)	6.28%[16]	17.56%	11.48%	3.29%
Total Assets(₹ in million)	10,002.74	7,769.14	6,450.31	5,934.94
Total Equity (₹ in million)	1,793.22	771.12	376.52	257.06
Property, Plant and Equipment (₹ in million)	1,251.98	1,294.83	1,400.89	572.36

Notes:

(1) Revenue from operations is total revenue generated by our Company from the sale of good and rendering of services.

(2) Revenue growth represents the growth in revenue from operations for the year / period of our Company.

(3) Gross profit is calculated as revenue from operations minus cost of materials consumed, changes in inventories of finished goods and work-in-progress, and other direct costs.

(4) Gross profit margin is calculated as gross profit as a percentage of revenue from operations.

(5) EBITDA is calculated as profit/(loss) before tax minus other income plus finance costs, and depreciation and amortisation expense.

(6) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(7) EBIT is calculated as EBITDA minus depreciation and amortisation expenses.

(8) EBIT Margin is calculated as EBIT as a percentage of revenue from operations.

(9) Profit/(loss) before tax is calculated as total income minus total expenses of our company for the year/period.

(10) Profit/(loss) for the year/period is calculated as profit/(loss) before tax minus tax expense for the year/period.

(11) Profit/(loss) margin is calculated as profit/(loss) after tax as a percentage of revenue from operations.

(12) Asset Turnover ratio is calculated as Revenue from operations divided by average total assets.

(13) Free cash flow is calculated as net cash flow from operating activities less payment towards purchase of property, plant and equipment and intangibles, net of proceeds from sale of property, plant and equipment and intangible assets.

(14) Total cash is calculated as cash and cash equivalents plus other bank balances as at the end of year/period.

(15) Return on Capital Employed (ROCE) is calculated as (EBIT plus other income) divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current} and lease liabilities {current & non-current}.

(16) Asset turnover ratio and Return on Capital Employed (ROCE) for the six months period ending September 30, 2022 are not annualized.

Operating metrics

The following table sets forth certain of our operating metrics for the periods indicated:

Particulars	As at and for the six months period ended September 30, 2022	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021	As at and for the financial year ended March 31, 2020
Number of customers[1]*	32	50	47	55
Number of new customers acquired[2]*	1	3	1	6
Customer concentration (Top 5) [3]*(in %)	67.76	65.35	66.29	66.48
Customer concentration (Top 10) [4]*(in %)	93.00	93.24	90.83	89.34
Order book[5](in ₹ million)	25,467.72	12,029.76	9,061.18	9,701.18
Days sales outstanding (DSO)[6] (in days)	81	77	132	44
Days payables outstanding[7] (in days)	135	98	110	84
Days of inventory outstanding[8] (in days)	213	137	90	178
Customer advance days[9]	75	57	66	103

Notes:

(1) Number of customers indicate the count of customers who contributed to revenue from operations for year / period.

(2) Number of new customers acquired indicates the count of new customers generating revenue for the first time in the respective year/period.

(3) Customer concentration (Top 5) % indicates total revenue from top five customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.

(4) Customer concentration (Top 10) % indicates total revenue from top ten customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.

(5) Order book (in ₹ million) indicates the executable work orders from our customers as the end of the year / period.

(6) *Days sales outstanding (DSO) is calculated as trade receivables / revenue from operations multiplied by number of days for the year / period.*

(7) *Days payables outstanding is calculated as trade payables/ revenue from operations multiplied by number of days for the year / period.*

(8) *Days of inventory outstanding is calculated as inventory/revenue from operations multiplied by number of days for the year / period.*

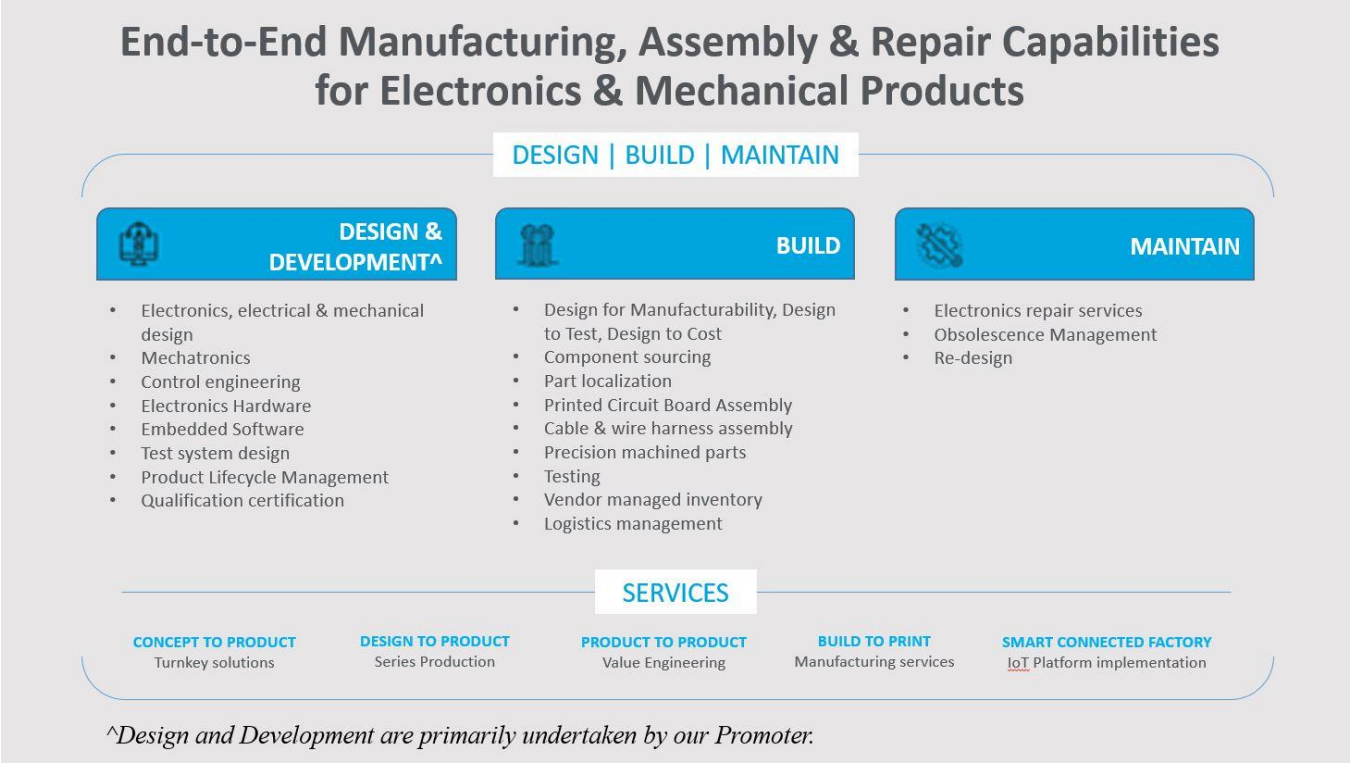
(9) *Customer advance days is calculated as customer advances/ revenue from operations multiplied by number of days for the year / period.*

** Customers include affiliates or group entities of our customers, as applicable.*

Our Strengths

Ability to provide integrated engineering solutions with strong capabilities across the product value chain

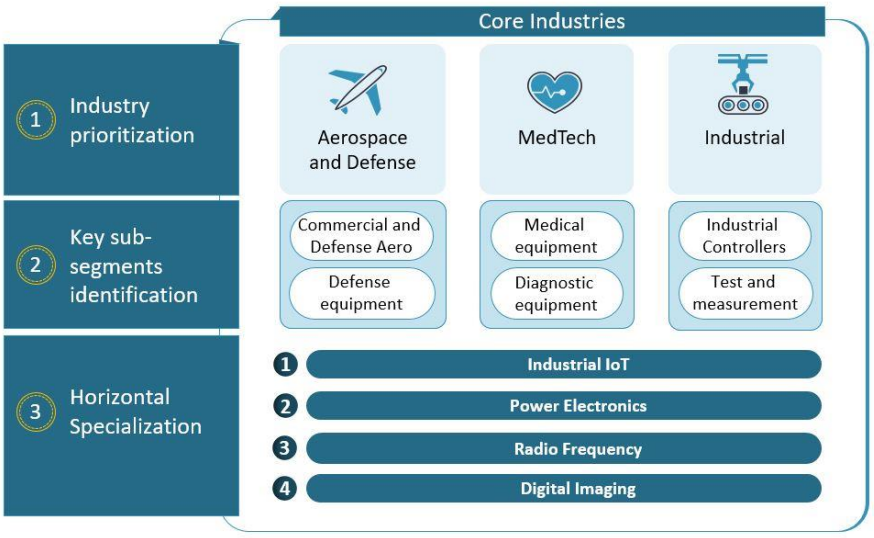
We are a complete, end-to-end integrated EMS and solutions provider with robust capabilities providing both B2P and B2S services. As an integrated manufacturing partner providing 'design-led-manufacturing' solutions to our customers, we provide design through the design team of our Promoter and, manufacturing, testing and certification support to ensure that our customers' products meet robust standards in reliability, safety and performance. We believe we are well-positioned to deliver solutions to our customers across the entire product lifecycle. Set out below is an illustration of our comprehensive capabilities:



Our engineers have significant expertise which helps us build and supply complex products to our customers in a timely manner. Our capabilities allow us to act as a strategic partner to clients helping them through their journey on product introduction. We believe our role as an integrated solutions provider which are further strengthened by our Promoter's design capabilities and expertise sets us apart from our competitors, and allows us to work with our clients from the conceptualisation and design stage and support their manufacturing needs. Our expertise across multiple industries allows us to cross-pollinate best practices from a client in one industry to another, thereby bringing in a significant value addition to our clients. We believe our ability to provide end to end manufacturing services allows clients to reduce the need to manage multiple suppliers and stakeholder management across the journey. This allows clients to introduce products to market in a timely manner.

High entry barriers for our competitors due to our technical expertise, capabilities in safety-critical electronics in highly regulated industries and customer engagement

Our position as one of the few EMS companies in India offering electronics solutions for safety and mission-critical applications in highly regulated industries acts as a significant entry barrier to new entrants (*Source: Frost & Sullivan Report*). Our clients are primarily engaged in industries such as aerospace and defence, medical technology and industrials which are typically highly regulated industries. For details of the revenue from operations generated by each of the key industries we cater to, see "- *Our Products and Services*" on page 159 below. Our engagement with the client commences at the early stages of the product life cycle right from the design stage, which also leads to higher customer stickiness.



We commenced our operations by manufacturing simple PCBAs for our customers for use in simple systems such as temperature transmitters, switching devices, airport lighting systems and other low complexity aerospace and industrial products, and subsequently evolved our capabilities to manufacturing complex PCBs for safety-critical applications, cable harnesses and box builds to large assemblies. We have evolved significantly from providing simple PCB services, to having become a provider of high complexity, low to medium volume mission-critical solutions. This has enabled us to deepen our relationships with our customers over the years. For instance, our engagement with Honeywell International Inc., one of our key customers, commenced with manufacturing PCBAs for special temperature transmitters in 2009. However, subsequently, we manufactured box builds for airport lighting systems, and have since manufactured more advanced systems for Honeywell such as an entire module of cockpit avionics. We believe the deepening engagement with our customers over time due to our flexibility, agility and the quality we provide will prevent them from switching to other EMS partners, acting as a high entry barrier to our competitors.

We believe that we enjoy several competitive advantages and capabilities, which, together with our over two decades of experience in the EMS industry, gives us a strong edge and also provides us with certain key factors which are difficult to replicate. Some of these factors include our sectoral expertise, the high complexity of the products we manufacture and the solutions we provide, our ability to provide end-to-end solutions and the trust of our customers we enjoy.

Our key capabilities are in the domain of highly complex, safety-critical electronic systems with a high criticality of failure, such as cockpit systems and flight control systems which differentiates us from other EMS companies. It is our belief that our customers would be reluctant to source similar solutions from our competitors, owing to the aforesaid, in addition to our reliability in the manufacture of, and our track record of having provided such solutions successfully to customers in industries with stringent quality and performance requirements, as well as the depth and nature of engagement with our customers. Since specialised sectors such as aerospace and defence, and medical are highly complex and expensive, there are obvious challenges and barriers that make it almost impossible for new players to enter this market. High capital requirement and strict regulations are the key barriers preventing companies form entering these sectors. Further, low-volume, high-mix products involve high complexity and are safety critical with high entry barriers. (*Source: Frost & Sullivan Report*)

Robust and industry leading order book with marquee customers, with whom we enjoy sustained and long-standing relationships as their preferred partner

We believe we have built a diverse customer base with marquee clients over two decades of our presence in the EMS industry. Our strategic partnership model with our customers has accelerated our growth and allowed us to enjoy a position of an industry leader in the EMS sector. We also focus on assisting customers meet their requirements across the spectrum of their engagement with us, including in terms of cost, productivity, product reliability and low time to market. This, together with our high delivery standards and performance excellence, has enabled us to acquire, service and deepen and lengthen our relationship with diverse range of high-level clients ranging from startups to industry leaders.

The table below sets out the number of years of relationship we have had with some of our key customers as of September 30, 2022:

Name of customer	Number of years of relationship (as of September 30, 2022)
ABB Inc	14
Bharat Electronics Limited	12

Name of customer	Number of years of relationship (as of September 30, 2022)
Honeywell International Inc.	13
Thales Global Services S.A.S	8
Molbio Diagnostics Private Limited	10

Notes: Years of relationship with our key customers represents the length of relationship our company has with our key customers.

We have an industry leading order book (*Source: Frost & Sullivan Report*) amounting to ₹ 25,467.72 million as of September 30, 2022 and a pipeline of prospective projects for which the contracts are currently at various stages of negotiation. The table below sets out the details of our order book as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020:

Details of order book	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Number of customers	32	50	47	55
Order book* (₹ in million)	25,467.72	12,029.76	9,061.18	9,701.18

**Order book (₹ in million) indicates the executable work orders from our customers as the end of the year / period*

We have consciously focused on reducing the long tail of customers by focusing on growing our business and relationships with strategic and marquee customers.

Our long-term contracts with our clients have a term ranging between three years and more than 15 years. For example, one such contract is our contract with Honeywell International Inc. for avionics LRUs. Our capabilities and our strong relationships with our customers have been recognised by our customers by way of several awards such as the award for Excellence in Quality, Cost & Delivery from Bosch, the Thales Award for On Conformity Delivery performance from the Thales Group and the Best Emerging Supplier Award from Honeywell. For details, see "*History and Certain Corporate Matters – Awards, accreditations and recognitions received by our Company*" on page 181.

World class manufacturing infrastructure, stringent quality, diverse in-house capabilities and robust supply chain, enabling us to provide high quality end-to end integrated solutions to our customers

Our operations are currently undertaken through our manufacturing facilities spread across two states and three cities in India, at Mysuru, Hyderabad and Bengaluru, with a total manufacturing area of 229,061 sq. ft. Our Mysuru and Hyderabad facilities are focused on electronics manufacturing processes including PCBA, cable harnesses and box builds, which closely align with our core competence in electronics systems, integration and manufacturing services, and are equipped with surface mount assembly (SMT) lines, printed through hole (PTH) assembly lines, X-ray inspection systems, in-circuit testers, flying probe testers, boundary scan testers, functional testers, environmental stress screening (ESS) chambers, HASS and HALT machines, vibration testers and other advanced equipment. Our Bengaluru facility is focused on producing high-precision, low-volume mechanical manufacturing products and is equipped with milling, drilling, turning and grinding machines. Set out below are details of the aggregate installed capacity and utilised capacity at our Mysuru and Hyderabad facilities for the periods shown:

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Mysuru				
Number of SMT lines	4	4	4	4
Aggregate installed capacity (millions of component placements / annum)	224.70	449.41	430.69	411.97
Total placements achieved (millions of component placements / annum)	88.75	244.75	200.46	226.21
Utilised capacity (%)	39.50	54.46	46.54	54.91
Hyderabad				
Number of SMT lines	2	2	2	-
Aggregate installed capacity (millions of component placements / annum)	250.20	500.40	500.40	-
Total placements achieved (millions of component placements / annum)	12.69	45.69	35.63	-
Utilised capacity (%)	5.07	9.13	7.12	-

** As certified by M.S. Balu, Chartered Engineer, pursuant to certificate dated January 8, 2023.*

Note:

1. *Capacity utilization has been derived from component placements per hour (CPH) at SMT lines.*
2. *Assumptions taken into consideration for deriving capacity calculation are as follows:*
   - *i. All calculations are on the basis of two working shifts, 25 working days and seven hours per shift.*
   - *ii. In the event of requirement for capacity expansion, third shift operations can be mobilized with addition of resources as required.*
   - *iii. CPH rating is the basis and capacity is also inclusive of the nature of product mix, complexity, setup time and planned maintenance time.*
   - *iv. At the Mysuru facility, the installed capacity has been enhanced with an additional placement module in 2021.*
   - *v. Hyderabad facility is a new setup with higher CPH and hence lower utilization as full-fledged production is yet to start.*

Set out below are the details of the aggregate installed capacity and utilised capacity at our Bengaluru facility for the periods shown:

	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Aggregate installed capacity	**Capacity utilised (as a % of total installed capacity)**	**Aggregate installed capacity**	**Capacity utilised (as a % of total installed capacity)**	**Aggregate installed capacity**	**Capacity utilised (as a % of total installed capacity)**	**Aggregate installed capacity**	**Capacity utilised (as a % of total installed capacity)**
Number of units manufactured	6,000.00*	84.00	6,000.00*	84.00	6,000.00*	79.00	6,000.00*	43.00

**6000 is the overall capacity for full year but % is calculated proportionately.*
Type of Product- Body Valves, Latch Assemblies.
As certified by M.S. Balu, Chartered Engineer, pursuant to certificate dated January 8, 2023.

We have stringent quality systems and processes which enable us to meet the rigorous and complex requirements of our customers within the stipulated timelines and provide us with our track record of reliability. Our facilities have received one or more quality and standard certifications such as ISO 9001:2015, ISO 14001: 2015, ISO 45001:2018, AS9100:2016, ISO/TS 22163:2017, ANSI ESD S20.20-2014 and IEC 61340-5-1:2016. We have received NADCAP certifications for our PCBA and cable harness solutions. Further, we are also entitled to certain tax benefits since our Hyderabad facility is located in a special economic zone. Our manufacturing processes are also subject to regular inspections conducted by our customers.

Our supply chain process is electronically managed, monitored and interconnected by way of a supply chain control tower and visualisation tool. This tool integrates the ERP data of our Company and allows real-time tracking that enables faster response to demand changes and supply disruptions. We believe we have a high degree of command over our supply chain on account of our horizontal specialisation. Some of the key raw materials we procure include semiconductors, passives (such as capacitors, diodes and resistors), mechanical items (such as sheet metal, plastics and aluminium), cables, connectors and integrated circuits. Our dedicated supply chain and materials team consists of 72 members as on the date of this Draft Red Herring Prospectus, across sourcing, materials and purchase, logistics and strategy and has a rigorous selection, evaluation and qualification process for our suppliers for made-to-order parts, and our approved suppliers are rated and monitored on an ongoing basis. We also have systems in place for counterfeit parts management, obsolescence management, material requirement planning, procurement, engineering, quality management and execution. As at September 30, 2022, we have over 700 active vendors of raw materials, with over 54.13% of them from outside India. We have long term relationships with authorised distributors or vendors, and have multiple vendors for particular components rather than relying on single sources for each part in order to de-risk ourselves from supply chain problems. This also allows us to ensure availability for our raw materials as well as enables us to secure the best possible prices. We also do warehousing for some of our customers in a warehouse at Tulsa, Oklahoma, USA, which is strategically located to reduce our time to market for our customers in the USA.

Strong parentage of our Promoter, Cyient Limited, and a long history of industry expertise, an experienced Board and senior management team

We believe we have derived significant advantages and a strong competitive edge from the sectoral expertise of our Promoter, which was named as a Rising Star in Managed Services by the Information Services Group and was named in the 'Leadership zone' across aerospace, telecommunication, semiconductors, industrial, and medical devices verticals. Cyient has also been rated as an Expansive-Established player in Digital Engineering and ER&D Services – USA region by Zinnov Zones. 'Cyient' is a brand associated with strong global engineering capabilities, quality of service and reliability. Our association with the 'Cyient' brand and the domain experience of our Promoter gives us an advantage in attracting talent, corporate governance practices, and together with our Promoter's design team, allows us to offer a larger value proposition on the 'design, build and maintain' value chain. Our end-to-end capabilities, backed by the design capabilities as well as the heritage of our Promoter of over three decades provides us with an edge over our competitors, and has enhanced our B2S capabilities, differentiating us from our competition.

In addition, we are led by our diversified Board with an average of over seven years in the EMS industry, which is supplemented by our strong professional management team with an average of over 20 years of industry experience. Our senior management team includes our Managing Director, Rajendra Velagapudi, our Chief Executive Officer and Business Head, Anthony Montalbano, our Chief Operating Officer, Ram Dornala and our Chief Financial Officer, Shrinivas Appaji Kulkarni who bring a collective of several decades of experience. Our leadership team is supported by a workforce of 634 full time employees and 387 contract workers and a NPI and engineering team of 68 persons as on the date of this Draft Red Herring Prospectus, and an enhanced in-house quality control system team, in addition to Cyient Limited's design team. Further, our sales team has over 15 years of experience across the EMS and engineering services industries.

Our Strategies

Strengthening our core capabilities across focus industries and building scale

We intend to continue to strengthen our capabilities across the focus industries by continuing to strengthen and expand our existing relationships with our current clients and by acquiring more strategic clients across our focus industries. High domestic volumes and consumption, and higher outsourcing volumes will influence domestic electronics manufacturers to bring in the component ecosystem locally and enhance local capabilities of component sourcing, thus making the ecosystem stronger and closer. Tier-2 companies (companies supplying products to Tier-1 companies/ OEMs) are increasingly focusing on product localization, innovative product design, and R&D. However, the extensive financial costs involved in setting up manufacturing, capacity additions/expansions, R&D, manpower, etc. influence them to leverage EMS services (*Source: Frost & Sullivan Report*). We believe we are well-positioned to further augment our core capabilities and build scale by taking advantage of potential moves from global players looking to localise and leverage cost advantages by setting up manufacturing facilities in India under various government schemes, as well as of the growing complexity in product design and development such as miniaturisation of products.

We believe that we have a strong presence across the aerospace and defence, medical technology and industrials verticals, which we seek to continue to strengthen, including by strengthening existing relationships with key clients and targeting major OEMs globally to build scale across our businesses. With an increasing adoption of technologies like artificial intelligence and machine learning, and the high degree of electronification which is likely to result therefrom, we aim to leverage the arising opportunities and further deepen and strengthen our relationships with existing customers, and also offer our existing solutions to new customers. We also seek to build scale and undertake strategic projects to augment our order book, including by leveraging opportunities across the product value chain. In addition, we also aim to enhance our profitability by increasing our share in the market for complex industries and by taking on more B2S contracts.

The Indian manufacturing sector's contribution has increased from 16% to over 18% in the last 10 years (source: IBEF), which has been driven by initiatives like 'Make in India' and other sector-specific initiatives (*Source: Frost & Sullivan Report*). We aim to benefit from such incentives through our expansion for electronics manufacturing. The Government of India is also focused on building the semiconductor manufacturing industry in India, including with the Atmanirbhar Bharat scheme, which is aimed at providing financial support to companies in electronics manufacturing and semiconductor manufacturing, and which in turn is also expected to give a further impetus to electronics manufacturing in India (*Source: Frost & Sullivan Report*).

Strengthen our B2S value proposititon by investing in design capabilities to enhance our value addition and increase ownership in our engagements

We intend to invest in design and enhance our engineering capabilities by strengthening our engineering team, establishing independent design capabilities and building up competence to further bolster our B2S capabilities and bringing in more domain knowledge and expertise in relation to the industries we cater to. Only very few players are involved in B2S process contributing to around 25% of the total EMS market in India (*Source: Frost & Sullivan Report*). We also seek to further leverage the design team of Cyient Limited to provide a more diverse range of solutions to our customers, as well as target additional customers through a broader array of solutions.

Our plans to set up our own design competency and continue to build upon our engineering competency will enable us to increase our current mix of B2S services, and retain our position as one of the leading Indian EMS companies with the breadth of capabilities operating in the contract manufacturing space for high mix safety-critical electronics. We believe that this will not only improve the quality of our products, but also allow us to further meet our customers' needs and reduce our time to market. We also expect such strengthening of our capabilities to further differentiate us from our competitors in the EMS industry.

Expanding inorganically to increase our geographic footprint and proximity with clients, further strengthen our capabilities and gain access to target customers

We intend to expand our geographical footprint, including by way of inorganic expansion in key geographies, particularly North America. By creating a presence in the North American region, we aim to build greater geographical proximity with some of our key clients. This will allow us to build on our existing relationships with them and also allow us to work on more strategic projects with our clients in the key industry sectors we cater to, which require closer geographical proximity. We also seek to benefit from the local ecosystem in the North American region. We will also aim to acquire new strategic clients in the industries we focus on and strengthen our capabilities in specific areas.

We also aim to focus on strengthening our existing capabilities in high-mix low-volume solutions in safety-critical electronics for the aerospace and defence, medical and industrial sectors, including in PCBAs, cable harnesses, box builds, sub-system/system assembly, testing services, re-engineering and aftermarket services. By strengthening our capabilities, we believe that we will better be able to serve our existing customers as well as attract new customers, in addition to augmenting our

revenues, improving our cost controls and increasing our profitability. We expect such enhanced capabilities to enable us to meet the potential demand and leverage India for India and India for Global opportunities.

Strengthening our supply chain ecosystem and building on our operational efficiency

We intend to further enhance the efficiency of our manufacturing operations. To this end, we seek to leverage the increasing automation in the industry, strengthen our operations and program management teams to focus on better client management and creating stronger client touch points, better understand client requirements and build relationships. We also aim to increase our focus on digitalization and automation, by way of (i) process automation across the line to strengthen manufacturing, (ii) reduce lead time through value stream mapping and (iii) digitizing our facilities by implementing Industry 4.0 tools across all functions to generate enhanced visibility of our production processes, which we believe will result in increased operational efficiency and allow us to provide more agility and flexibility to our customers.

We also aim to further strengthen our supply chain ecosystem, including by price management and order management in respect of the raw materials we obtain. We believe that optimising our supply chain ecosystem will reduce our supply chain logistics cost and enable us to reduce our time to market, thereby increasing our profitability and allowing us to service our clients with a quicker turnaround time.

Further enhancing our capabilities in after-market services and value-added services, and exploring new adjacencies

To further enhance our capabilities and our customer stickiness, we intend to expand our capabilities across key adjacencies like after-market services and select value-added services. We believe this will help strengthen our offering to our clients and act as a further differentiator with respect to our competitors. As a part of our after-market capabilities, we will focus on strengthening our repair and maintenance and sustenance engineering capabilities for our clients, as well as enhance value added services such as reverse engineering, value engineering and design upgrades etc.

We will also explore expanding our offering across cable harnesses, precision mechanics and additive manufacturing, and will look to expand our capabilities across the semiconductor value chain with a focus on exploring opportunities in outsourced semiconductor assembly and test (OSAT) services. The increasing geo-political tensions and the growing chip shortage has enhanced the need for moving the semiconductor ecosystem to other regions across the world and this has created a unique opportunity for India as an alternative location to focus on and invest in. In recent years, the semiconductor industry has matured and achieved greater scale through consolidation. While the semiconductor industry increased its production capacity by nearly 180% since 2000, its total capacity remains nearly exhausted at the current high utilization rate. The Government of India is also focused on building the semiconductor manufacturing industry in India, including with the Atmanirbhar Bharat scheme, which is aimed at providing financial support to companies in electronics manufacturing and semiconductor manufacturing, and which in turn is also expected to give a further impetus to electronics manufacturing in India. (*Source: Frost & Sullivan Report*)

The global chip supply shortage intensified in 2021 after the COVID-19 pandemic, as major companies across industries have failed to meet the rising demand for electronic goods and components (*Source: Frost & Sullivan Report*). We intend on leveraging this to further explore opportunities in OSAT services. We expect such diversification and augmentation to improve our profitability by enhancing our margins, and significantly increase the visibility of our brand.

Our Products and Services

We have capabilities to provide integrated EMS and solutions to customers engaged in a variety of highly regulated industries. The key product categories we currently manufacture are set out below:

PCB Assembly



PCB assembly is the process of connecting electronic components onto PCBs. Components are placed onto the foot prints or inserted into the via holes and soldered to complete the electronic circuitry.

There are two main categories of assembly:

(i) Surface Mount Device assembly; and

(ii) Plated Through Hole assembly.

Soldering is the process of connecting two metal surfaces together to form a reliable electrical path, connecting the components to the PCB. The type of soldering is

determined based on the layout of the board, component selection and process flow. Typical soldering methods are reflow soldering, wave soldering, selective soldering and hand soldering.

The key steps involved in Surface Mount Device assembly are outlined below:

- solder paste printing;
- component placement;
- reflow soldering; and
- automated optical inspection

The key steps involved in assembly and soldering of PTH devices are outlined below:

- component pre forming;
- component assembly;
- wave soldering; and
- inspection.

We have a pool of skilled and certified employees to perform manual soldering if any of the above processes are not appropriate for the specific part/ product. Through our training programs, we ensure our employees are equipped to handle complex boards.

Inspection

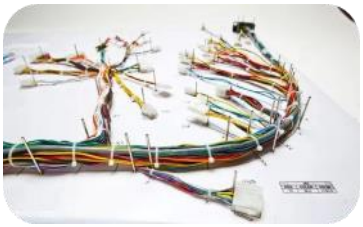
Our assembly lines are equipped with fully automated in-line solder paste inspection systems and in-line automated optical inspection systems. We are also equipped with 2D x-ray inspection systems and 3D automated x-ray systems. We have a control plan which defines the specific type of inspection for every product, at appropriate stages in the manufacturing cycle.

Post-assembly inspection and functional testing

Once the assembly is done, the PCBAs are inspected again and are tested for functionality. The tests are performed as defined in the test plan/process control plan and include in-circuit testing, flying probe test, boundary scan test and functional tests using testers which are made specific to the product requirements. Reliability tests such as environmental stress screening, highly accelerated stress screening/ highly accelerated life test and vibration tests are also performed as appropriate to the requirements of the product and its end application.

We have the capabilities to manufacture a variety of simple and complex PCBAs, such as radio frequency circuit boards, IoT boards, programmable logic control (PLC) boards, central processing unit (CPU) boards and input/output (I/O) modules. Our PCBA processes comply with the stringent requirements of NADCAP and our PCBAs have been certified by NADCAP.

Cable Harnesses



Our cable harnesses solutions involve the process of assembly of electrical cables or wires. Our cable harnesses solutions are also accredited by NADCAP.

The following are the steps involved in the manufacture of cable harnesses:

- cutting;
- stripping;
- crimping / tinning / soldering / splicing;
- connector installation / labelling / braiding;
- inspection; and
- testing – continuity / insulation resistance / hipot / pull test / retention.

Box Builds



Also known as systems integration, box builds can be anything from a simple PCBA housed in a small enclosure, to a cabinet housing a complex electromechanical system. The box build process involves enclosure fabrication, assembling the various PCBAs and cables harness assemblies, installation of sub-assemblies and components and routing of cabling or wire harnesses.

We assemble box builds ranging from very simple to complex devices with a wide range of applications as outlined below:

Aerospace application: Electronics that we manufacture may be used in Avionics engine control, cockpit communication, auxiliary power supply unit, door control unit, USB charger, parachute ejection systems, aircraft lighting and GPS systems.

Defence applications: RADAR electronics, communication, computers, power supply, ground equipment, ground radio communication systems.

Medical applications: Electronics and devices we manufacture may be used in patient monitoring systems, x-ray electronics, diagnostic equipment, electronics for MRI, ECG and ultrasound scanners, NIBP controllers, patient assistance systems like sensor mats and emergency call, chest sensor electronics and pulse oximeter, Hb monitoring devices, portable vaccination refrigerators.

Industrial applications: These may include oil and gas measurement equipment, control electronics for color mixing and dispensing equipment, fuel dispensing controllers and display electronics, controllers for temperature and room environment, IoT controllers.

Railway applications: Railway signaling, train protection and warning systems and vehicle control units.

Our manufacturing capabilities enable us to manufacture a wide range of complex boards and devices, such as the following:

- **CPU Board:** A CPU card is a printed circuit board (PCB) that contains the central processing unit (CPU) of a computer.
- **Power Electronics Board:** Power electronic systems are used in a variety of applications, such as power generation, power transmission, power distribution, power control.
- **IoT devices:** These are non-standard computing devices that connect wirelessly to a network and have the ability to transmit data, such as the many devices on the internet of things.
- **PLC:** A programmable logic controller is an industrial computer control system that continuously monitors the state of input devices and makes decisions based upon a custom program to control the state of output devices.
- **I/O Module:** An I/O module is a subsystem in an integrated circuit that performs the functionality specific to interfacing a CPU to the rest of the system.

Set out in the table below is the revenue from operations generated by the key industries we cater to:

Industry	Six months period ended September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Revenue from operations (₹ in million)	% of Revenue from operations (%)	Revenue from operations (₹ in million)	% of Revenue from operations (%)	Revenue from operations (₹ in million)	% of Revenue from operations (%)	Revenue from operations (₹ in million)	% of Revenue from operations (%)
Aerospace (I)	627.16	18.43	1,018.29	14.13	952.29	15.16	657.27	14.38
Defence (II)	1,327.99	39.03	3,371.25	46.79	2,638.96	42.02	2,105.38	46.06
Medical Technology (III)	608.04	17.87	1,615.56	22.42	1,853.22	29.51	864.84	18.92
Industrial (IV)	825.42	24.26	1,040.55	14.44	714.25	11.37	838.37	18.34

Industry	Six months period ended September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Revenue from operations (₹ in million)	% of Revenue from operations (%)	Revenue from operations (₹ in million)	% of Revenue from operations (%)	Revenue from operations (₹ in million)	% of Revenue from operations (%)	Revenue from operations (₹ in million)	% of Revenue from operations (%)
Others (V)	14.08	0.41	159.68	2.22	121.57	1.94	105.01	2.30
Revenue from operations (I+II+III+IV+V)	**3,402.70**	**100.00**	**7,205.33**	**100.00**	**6,280.28**	**100.00**	**4,570.87**	**100.00**

Build-to-print (B2P)

In our B2P model, the design for the project is provided to us by the client, and we manufacture the product based on the provided design and according to the customer's specifications. Typically, the customer provides the bill of materials and drawings and we are responsible for producing the part to the specifications defined by the said customer. Some of the key products and projects manufactured under our B2P model are set out below:

- Natural gas analyzers – flow monitoring systems used in oil and gas applications;
- Airport lighting switch system circuit card assembly;
- Magnetic resonance (MR) system; and
- Cockpit electronics.

Build-to-specification (B2S)

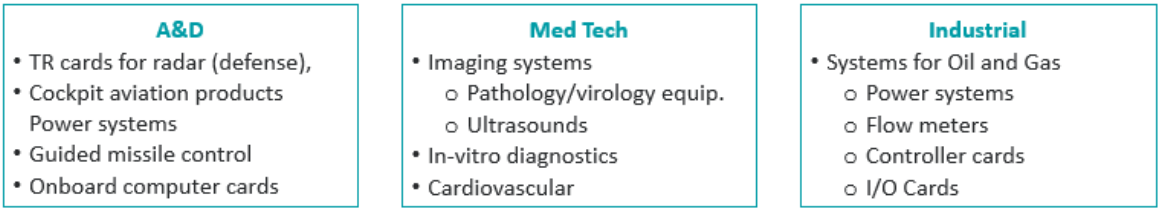
In the B2S model, the client provides us with its requirements and specifications for the product or project, which our Promoter's design team designs and we proceed to develop based on such requirements and specifications. We also provide inputs in terms of 'design for manufacturability' and 'design for testing' to our Promoter's design team. Once the design is approved by the client, we proceed to manufacture the product based on the approved design. In this model, we, together with our Promoter, offer engineering design and build services, from concept to qualification, with system-level ownership in our respective domains.

Some of the key products and projects developed under our B2S model are set out below:

- Cargo door control units; and
- USB drives.

Design, Engineering, Infrastructure and Manufacturing Capabilities

We deliver high-precision machining and assembly services that help our clients, in key industries such as aerospace and defence, medical technology, and industrial sectors, design and develop complex products with a focus on reducing time-to-market. We believe that our world-class manufacturing facilities, project management, sourcing, supply chain management, and production processes, supported by investments in the latest technology and expertise in the delivery of quality products make us a preferred EMS partner. Some of the key products manufactured by us are as follows:



Our experience spans the manufacturing of prototypes, small batch production, single parts, complete structures and assemblies that involve intricate machining and assembly. Utilizing both surface mount technology (SMT) and plated through hole (PTH), we are equipped to handle an array of mixed technology products. From high-mix and high-tech, to low and medium volume requirements, we offer flexible manufacturing services that we believe enable our customers to achieve a sustainable

competitive advantage. Our design capabilities are provided to our clients by leveraging Cyient Limited's design team, which we are able to leverage pursuant to a Master Services Agreement dated December 13, 2022 executed by and between our Promoter and our Company. For further details, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements - Key terms of subsisting material agreements - Master Services Agreement dated December 13, 2022 executed by and between our Promoter and our Company ("Cyient Services Agreement")*" on page 183.

We also specialize in additive manufacturing (3D printing) for proof-of-concept designs, design verification, and functional testing. We follow the industry's best practices to ensure quality control and have also received several certifications, as set out in " – *Our Manufacturing Facilities*" on page 163.

Value added services

We also offer several value added and after-market services to our customers, such as obsolescence management, new product introduction, value engineering, localisation, sustenance engineering and logistics and supply chain management.

- **Obsolescence Management:** This process supports the end-of-life products of our clients. We advise on any components that need to be replaced due to technology upgradation and non-availability of the relevant component.

- **New Product Introduction:** New product introduction is the process of taking a product idea from the conceptualisation stage to making the product available for use or production.

- **Value Engineering:** Value engineering can be defined as an organized effort directed at analyzing designed building features, systems, equipment, and material selection for the purpose of achieving essential functions at the lowest life cycle cost consistent with the required performance, quality, reliability, and safety.

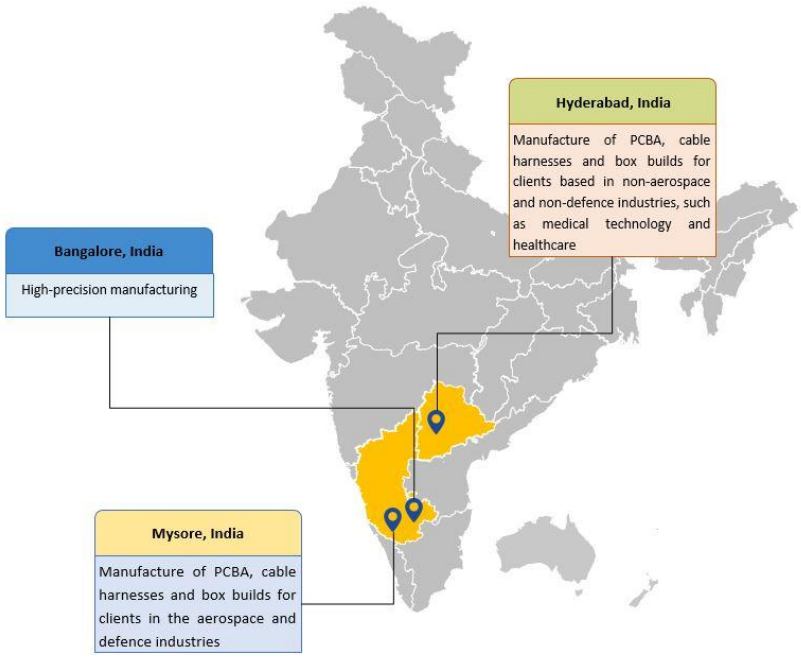
- **Localisation:** Localisation is the process of adapting a particular product to the local needs of a particular geography or culture with a focus on leveraging locally available components to build the product.

- **Logistics and Supply Chain Management:** This service helps clients manage their supply chain requirements from sourcing to logistics to storage solutions. While logistics focuses on the movement and storage of items in the supply chain, supply chain management is more comprehensive, covering the coordination among partners in the network, including sourcing, manufacturing, transporting, storing and selling.

Our Manufacturing Facilities

We have three manufacturing facilities spread across two states, with two facilities in the state of Karnataka, situated at Mysuru and Bengaluru, and one in the state of Telangana, situated at Hyderabad. Our manufacturing facilities are equipped with state-of-the-art equipment for the purposes of the advanced electronics we manufacture. Our staff at our Mysuru and Bengaluru manufacturing facilities operate from product development areas, which span 65,929 sq. ft. and 12,200 sq. ft., respectively, with dedicated SMT lines and PTH lines.

Set out below are the locations of our manufacturing facilities:

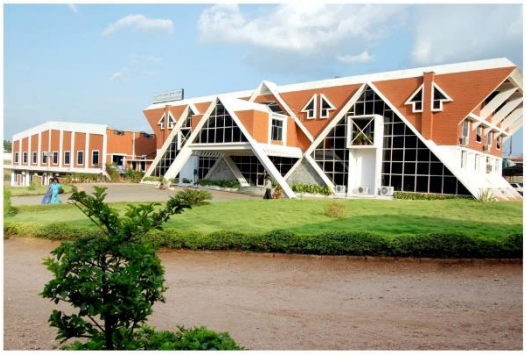


Set out below are some images from some of our manufacturing facilities:









Our manufacturing facilities have received one or more quality and standard certifications, which are set out in the table below:

Manufacturing facility	Certification	Certifying body
Hyderabad	ISO 9001:2015	Bureau Veritas
	ISO 14001:2015 and ISO 45001:2018	Bureau Veritas
	AS9100:2016	DQS Inc.
	ISO 13485:2016	BSI
	ISO/IEC 27001:2013	Bureau Veritas
	ANSI ESD S20.20-2014	DQS Inc.
	IEC 61340-5-1:2016	DQS Inc.

Manufacturing facility	Certification	Certifying body
Mysuru	ISO 9001:2015	Bureau Veritas
	ISO 14001:2015 and ISO 45001:2018	Bureau Veritas
	AS9100:2016	DQS Inc.
	ISO 13485:2016	BSI
	ISO/TS 22163:2017	IRIS
	ISO/IEC 27001:2013	Bureau Veritas
	ANSI ESD S20.20-2014	DQS Inc.
	IEC 61340-5-1:2016	DQS Inc.
Bengaluru	ISO 14001:2015 and ISO 45001:2018	Bureau Veritas
	AS9100:2016	DQS Inc.

Manufacturing capacity

The details of our product-wise installed capacity and capacity utilised as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, are set out below:

Product	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Aggregate installed capacity	Capacity utilised (as a % of total installed capacity)	Aggregate installed capacity	Capacity utilised (as a % of total installed capacity)	Aggregate installed capacity	Capacity utilised (as a % of total installed capacity)	Aggregate installed capacity	Capacity utilised (as a % of total installed capacity)
Mysuru								
PCBA (millions of component placements per annum)	224.70	39.49	449.40	54.46	430.68	46.54	411.96	54.90
Cable Harnesses (number of cables / annum)	21,12,679.98	2.60	24,61,359.95	6.80	6,97,359.95	60.73	6,97,359.95	14.75
Box Builds (number of boxes / annum)	5,080	95.98	10,120	94.88	10,900	96.41	7,160	95.38
Hyderabad								
PCBA (millions of component placements per annum)	250.20	5.07	500.40	9.13	500.40	7.12	-	-
Cable Harnesses (number of cables / annum)	348,678	0.00	-	-	-	-	-	-
Box Builds (number of boxes / annum)	120,000	98.64	180,000	93.00	245,000	97.93		

** As certified by M.S. Balu, Chartered Engineer, pursuant to certificate dated January 8, 2023.*

Our infrastructure enables us to indulge in high precision manufacturing, with a total of six SMT lines and four PTH lines (which are core processes for the assembly of PCBs) across our facilities. Our manufacturing processes are compliant with cross-industry certifications and are subject to regular inspections conducted by our world-class customers. We also own state-of-the-art equipment and machinery with digital enablement, such as inline testers, surface mount assembly lines and automated optical inspection equipment, for fool proof operations, which enables us to meet the stringent and complex requirements of our customers, within the stipulated timelines and provides us with a track record of reliability. Our facilities operate in two shifts per day, with the option of increasing that to three shifts per day in order to increase productivity.

Raw materials and supply chain

Our primary raw materials and components may be broadly categorised as follows:

(i) *Electronics:*

- Semiconductors, which are imported from suppliers in South East Asia, the United States of America and Europe;
- Passives, such as capacitors, diodes, and resistors.

(ii) *Mechanicals:* These include machining, sheet metal, plastics and aluminium, which are primarily procured from local suppliers.

(iii) *Cables and connectors:* These are sourced from both local and foreign suppliers.

(iv) *Consumables and packing:* These are sourced from local suppliers.

We primarily purchase raw materials in line with the terms and prices that are agreed with our suppliers from time to time. We have a dedicated supply chain and materials team of 72 members as on the date of this Draft Red Herring Prospectus, which follows a stringent and rigorous selection, evaluation and qualification process for our suppliers, who are also rated and monitored on an ongoing basis. We have an internal supplier rating system pursuant to which supplier segmentation is done based on the 'risk' and 'spend' for each supplier. The 'risks' for a given supplier are identified based on the impact that such a supplier could have on our supply chain, and includes single source suppliers, short lead-time suppliers and suppliers with high lead time who often fail to honor commitments. The 'spend' for a supplier is calculated based on the purchase value against orders given by us. Based on the aforementioned, suppliers are categorised as 'strategic suppliers' (high risk and high spend), 'bottleneck suppliers' (high risk and low spend), 'leverage suppliers' (low risk and high spend) and 'transactional suppliers' (low risk and low spend).

Further, we carry out counterfeit parts management and control in terms of the recommendations of AS 5553. We have a robust process in place for obsolescence management to identify when an electronic component is becoming obsolete. We also use a dedicated x-ray fluorescence analyser to detect traces of lead composition in certain parts, for RoHS compliance. In addition, we use SAP S4 HANA for plant level material requirement planning, procurement, engineering, quality management and execution.

All our major suppliers are separately audited and verified by our supply chain team. We have comprehensive procedures for vendor selection and certification. We also conduct periodic audits to ensure compliance with our quality standards and specifications. For further details on our supply chain, see "*Our Strengths – World class manufacturing infrastructure, stringent quality, diverse in-house capabilities and robust supply chain, enabling us to provide high quality end-to end integrated solutions to our customers*" on page 156.

Quality Control

We place strong emphasis on product and process quality control, which we consider integral to our success. In the highly regulated industries that our customers belong to, adherence to quality standards is crucial since the products are mission-critical for the customer with a high criticality of failure. Further, any failure to comply with the design specifications of our customers, may lead to cancellations of our contracts and loss of reputation. In order to maintain the quality standards and comply with the design specifications of our customers, we follow a stringent quality control mechanism, which involves testing and inspection to ensure that each product performs as intended. Separately, representatives of our customers regularly inspect our manufacturing facilities and manufacturing processes. We also have a separate team of engineers responsible for quality assurance.

Some of the key steps involved in our quality management process include:

(i) stringent quality checks for incoming raw materials based on the relevant specifications;

(ii) round the clock in-process quality audits for process adherence and robustness;

(iii) visual acceptance with respect to the requisite standards and issuance of a certificate of conformance for the units accepted; and

(iv) out of box audit on sampling to ensure that all the components meet the customer's expectations.

Our quality systems and processes enable us to meet the stringent and complex requirements of our customers and meet the stipulated timelines. We have a proactive approach towards quality in terms of setting up robust process controls, such as working on failure mode effect analysis (FMEA), incorporating lessons learned and our infrastructure which supports in-line detection and closed loop control mechanism. Our manufacturing processes are compliant with cross-industry certifications and are subject to regular audits by our world-class customers. Our facilities have received one or more quality and standard certifications such as ISO 9001:2015, ISO 14001: 2015, ISO 45001:2018, AS9100:2016, ISO/TS 22163:2017, ANSI ESD S20.20-2014 and IEC 61340-5-1:2016. Further, we have also received accreditations from NADCAP.

Distribution and Logistics

Once the products are manufactured, we package them at our manufacturing facilities as per the specific requirements of our customers. For inbound material we have executed master service agreements with eligible logistics vendors for air and sea-based shipments. For export or delivery of our products, our logistics are managed through service providers depending on agreed inco-terms with each customer.

Sales and Marketing

As on the date of this Draft Red Herring Prospectus, our sales and marketing team consisted of nine members. Our sales team approaches new customers to display our capabilities to bring in new business and, accordingly, our existing customers often approach us to get new products manufactured. We follow a business development process for customer acquisition and retention for both new and existing customers.

Our active marketing initiatives involve directly contacting the leadership teams of potential customers, while our passive marketing campaigns include pushing information to our clients on how their systems may be improved by our solutions. We also attend trade shows in order to further link to potential customers. Further, we also leverage the marketing team of our Promoter to obtain new contracts. We have sector-specific sales teams and seek to further boost our marketing capabilities by employing general members in our sales and marketing team.

Our Customers

Our customers include some of the largest Indian and global OEMs. We have a diverse customer base in India and other countries such as USA, France and Israel. The table below sets out details of our key customers across the industries we cater to:

Industry	Customers
Aerospace and defence	Honeywell International Inc., Thales Global Services S.A.S and Bharat Electronics Limited
Medical technology	Molbio Diagnostics Private Limited
Industrial	ABB Inc
Others	Thales Global Services S.A.S

Our customers typically have stringent, time-consuming selection, inspection and review procedures for their products. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities and logistical capabilities. For details relating to our relationship with our key customers, see "*Our Strengths – Robust and industry leading order book with marquee customers, with whom we enjoy sustained and long-standing relationships as their preferred partner*" on page 155.

Customer Agreements

Typically, our lead generation team scouts for opportunities with any potential contracts or new projects. We are also approached directly by potential customers for their requirements. In certain cases, our customers issue requests for quotes or requests for proposals with specific requirements to a limited number of suppliers. Our new customers conduct site visits as well as quality audits of our manufacturing facilities. The customer acquisition process takes between six to 12 months. The details of our contracts are handled by our sales team.

Customer case study

Our engagement with one of our current customers, which is a global aerospace company and a diversified manufacturer of aero engines, avionics, and airfield lighting systems, started in 2014 when we assisted them address their challenge of staying competitive amidst increasing manufacturing costs on location in the USA and Europe. The customer had set up a new global research and development centre in Bengaluru to reduce costs and was desirous of having a manufacturing site supporting some of their global programs in close proximity for ease of coordination.

We used our vast experience in dealing with our global customers in the aerospace industry and cross-pollinated some of the

best practices and lessons learned to address our customer's specific product needs and challenges. Our supply chain management technologies enable us to provide predictable delivery schedules and continuous quality improvement to our customer, which in turn helped develop and produce high quality products with faster time-to-market. The trust developed over our association with the customer has led to the award of a contract for the development of a multi-year aero cockpit cloud-connected avionics suite contract to us, which includes the manufacture and testing of multiple LRUs.

Employees

As on the date of this Draft Red Herring Prospectus, we have 634 permanent employees and 387 persons employed as contract labour. We undertake selective and need-based recruitment to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. The following table provides information about our full-time employees, as on the date of this Draft Red Herring Prospectus:

Department	No. of employees
Operations	414
NPI and engineering	68
Supply chain and materials / procurement	72
Program management	20
Finance	12
Administration and facilities	11
Sales / BD	9
Human resources	8
IT	8
Management	7
Quality	4
Corporate affairs and secretarial	1
Total	**634**

Our policies are aimed towards recruiting the requisite talent, facilitating the timely integration of employees into our Company and encouraging skill development to support our performance and the growth of our operations.

ESG and Employee Safety

We are subject to various environmental protection laws and regulations in relation to our manufacturing operations. Our manufacturing facilities' by-products primarily comprise scrap metal, plastics and electric materials. Our waste disposal process involves the sale of the aforementioned by-products to government certified scrap vendors. We have not been subject to any material fines or legal action involving non-compliance with any applicable environmental laws or regulations, nor are we aware of any threatened or pending action against us by any environmental regulatory authority.

We abide by the health and safety protocol as laid down by EOHS guidelines and OSHA, in addition to the protocol defined as a part of our internal Company compliance policies. Our manufacturing facilities are subject to stringent quality and safety procedures, such as maintenance of incident management system reports, daily safety meetings, leadership level meetings for refining the existing safety criteria, as well as conducting regular internal audits for quality control and safety protocols. In addition, we have 3 lead-free SMT lines and 2 lead-free PTH lines in our Hyderabad and Mysuru facilities. We also have a roadmap for implementing carbon dioxide reduction measures, involving carbon footprint assessment and proposed energy reduction plans.

Further, we have in place a physical security and access control policy to ensure a secured work environment by way, *inter alia*, manned security guards and surveillance systems. We provide electrostatic discharge aprons to all our employees working in the manufacturing facilities, and have in-house occupational health centers with full time doctors for health emergencies. We also conduct annual health check-ups for all our employees.

Intellectual Property

Given that the majority of our business is undertaken pursuant to the B2P model, the intellectual property rights for the products we develop belong with the respective customers. Further, we have applied for the registration of the trademark "Cyient DLM" (word and logo) under classes 9, 35 and 42 under the Trade Marks Act, 1999 and have also applied for international registration of the trademark "Cyient DLM" (word and logo) under classes 9, 35 and 42 under the Madrid Protocol. Further, we have entered into a Trade-Name License Agreement dated December 13, 2022 with our Promoter pursuant to which our Company has been granted a non-exclusive and non-transferable license to use the name and logo "Cyient" of our Promoter as inter alia part of our corporate name, advertisements, annual reports and other business-related purposes. For further details, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements - Key terms of subsisting material agreements - Trade-Name License Agreement dated December 13, 2022 executed between our Company and our Promoter ("Trademark License Agreement")*" on page 183.

Further, we deal with certain confidential information such as drawings, 3D models, process information and specifications provided by our customers. Protection of our customers' intellectual property is critical to our business. Our clients retain ownership of all associated intellectual property, including those they provide to us and those arising out of the services provided by us. We also have systems in place for the protection of the intellectual property and confidentiality requirements of our customers. Further, our stringent customer contracts provide for the ownership of the intellectual property for each of our products to belong with our clients. We execute non-disclosure agreements with each of our customers to protect their intellectual property and we ensure that similar non-disclosure agreements are executed with our suppliers to ensure protection of our customers' intellectual property.

For a list of intellectual property owned and registered by us, see "*Government and Other Approvals – Intellectual Property Rights*" on page 301.

Immovable Property

The table below sets out certain details of our Registered Office, our Corporate Office, and our manufacturing facilities in Mysuru, Hyderabad and Bengaluru.

S. No.	Particulars	Address	Lease details
1.	Registered Office	3rd floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India	Leased to us by our Promoter until January 31, 2025 by way of a lease deed dated February 1, 2020
2.	Corporate Office	347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India	Leased to us by Sri Ranga Trust until February 1, 2024 by way of a lease agreement dated February 3, 2015
Manufacturing facilities			
3.	Mysuru	347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 061, Karnataka, India	Leased to us by Sri Ranga Trust until February 1, 2024 by way of a lease agreement dated February 3, 2015
4.	Hyderabad	Plot 5G, Survey No. 99/1, Mamidipalli village, GMR Aerospace & Industrial Park. GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108, Telangana, India	Sub-sub leased to us by GMR Hyderabad Aviation SEZ Limited until March 22, 2038 by way of a sub-sub lease deed dated February 12, 2019
5.	Bengaluru	No. 70, (Old No. F-53), 4th Main Road, Industrial Estate, Rajajinagar, Bengaluru 560 044	Leased to us by Tushar N. Shah until March 31, 2023 by way of a lease deed dated April 25, 2017, read with addendums dated April 10, 2018 and January 2, 2019, and amendment dated April 1, 2020 thereto.

In addition to the above, we also avail storage and warehousing services in Tulsa, Oklahoma, USA, pursuant to a warehouse services agreement dated May 6, 2022 entered into with United Warehouse Co. For details of the location of each of our manufacturing facilities, see "- *Our Manufacturing Facilities*" on page 163.

Competition

The Indian EMS market comprises various tiers of companies including global EMS companies with operations in India and large and mid/small Indian EMS companies. We face competition from Indian EMS providers such as SFO Technologies Private Limited, Bharat FIH Limited, Avalon Technologies Limited, Syrma SGS Technology Limited and Elin Electronics Limited, and international players such as Hon Hai Precision Industry Co. Ltd. (Foxconn), Pegatron Corp, Quanta Computer, Inc., Plexus Corp., Flex Ltd., Compal Electronics, Inc., Wistron Corp, Jabil, Inc.

Information Technology

We have implemented various IT solutions and/or enterprise resource planning software solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase. We intend to continue to focus on and make investments in our IT systems and processes, including to improve our operational efficiency, customer service and decision-making process and to reduce manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

We use IoT technology to reorganize and connect various elements of our factory to provide smart decisions, and also integrate systems at horizontal and vertical streams to provide insights at factory level. In addition, we utilise a supply chain management tool which allows our supply chain to be electronically managed and monitored and interconnected with our internal systems.

Insurance

Our business operations are subject to various risks, including failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance policies for our manufacturing facilities and our operations, including marine cargo insurance (sales turnover policy), employees compensation insurance, industrial all risks insurance, group personal accident insurance, and group mediclaim policy. Further, our Promoter maintains certain insurance policies which also cover its subsidiaries, including us, such as directors and officers liability and company re-imbursement insurance, commercial general liability insurance, cyber protection – digital business and data protection insurance, commercial crime insurance and technology and telecommunication professional indemnity insurance.

Awards and Recognition

We have been recognised with numerous awards by our customers for the quality of our products. We received the "Partnership Recognition for 2020-21" certificate from Bharat Electronics Limited in 2021. In 2019, the Federation of Indian Chambers of Commerce and Industry awarded us the "Platinum (First) Prize in Manufacturing Sector (Medium Category)". In 2015, we received the "Performance Award" by ABB Inc. In 2013, we were awarded the "Best Emerging Supplier Award" by Honeywell. In 2014, we received the "Bosch Supplier Award" for the India region from Bosch and the "Supplier Award" by ABB Inc. In 2020, we received the "Thales Award for On Conformity Delivery performance" from the Thales Group. For further details see "*History and Certain Corporate Matters - Awards, accreditations and recognitions received by our Company*" on page 181. Further, our Promoter was awarded a certificate of achievement for 'TrueNat' RTPCR Rolution' in the category of 'Social Impact Solution of the Year – ESP' by NASSCOM at the Enginering and Innovation Excellence Awards, 2021.

Corporate Social Responsibility

We have constituted a Corporate Social Responsibility Committee comprising Pillutla Madan Mohan, Venkat Rama Mohan Reddy Bodanapu and Rajendra Velagapudi and have adopted a Corporate Social Responsibility ("**CSR**") Policy. Our CSR activities are undertaken through the Cyient Foundation. Some of the CSR initiatives undertaken by the Cyient Foundation include:

- assisting in developing makeshift hospitals for the fight against COVID-19 and treating patients of COVID-19;
- distributing dry ration kits, million masks, personal protective equipment kits and free quality packed meals to patient attendees in and around COVID-19 care centres;
- supporting government schools near our manufacturing facilities and contributing to providing quality education to underprivileged children;
- helping children gain access to quality education by providing various teaching aids, contributing towards school infrastructure, health and nutrition, and providing ICT/IoT facilities in certain schools; and
- planting trees in the last four years as part of our environmental initiatives.

In Fiscal 2020, 2021 and 2022 we spent nil, nil and ₹ 1.30 million towards expenditure for corporate social responsibility.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 299.

The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amendment by subsequent legislative, regulatory, administrative or judicial decisions.

Industry-Specific Legislations Applicable to our Company

Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021 ("Compulsory Registration Order")

The Compulsory Registration Order has been notified in supersession of the Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2012. The Compulsory Registration Order states that the manufacturing, storage, import, sale or distribution of goods, which do not meet the specified standard and/or bear a self-declaration confirming conformance to the relevant Indian standard is prohibited. Such goods shall also bear the "Standard Mark" under a license from the Bureau of Indian Standards in accordance with the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. The only exception is for those goods or articles which are meant for export which conform to the specification required by the foreign buyer and to goods or articles, for which the Central Government has issued a specific exemption letter, based on reasons to be recorded in writing.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 ("CEA Regulations")

The CEA Regulations lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include requiring all electric supply lines and apparatus to: a) have sufficient rating for power, insulation and estimated fault current; and b) be of sufficient mechanical strength for the duty cycle which they may be required to perform under the environmental conditions of installation.

The supplier is also required to provide a suitable switchgear installation in each conductor of every service line other than an earthed or earthed neutral conductor or the earthed external conductor of a concentric cable within a consumer's premises and such switchgear is required to be encased in a fireproof receptacle.

The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

The CEA Regulations were subsequently amended in 2015, 2018 and 2019 which introduced the mechanism of self-certification of every electrical installation of voltage below the 'notified voltage' belonging to the supplier, by the owner or the supplier or the consumer of the installation. Self-certification is also required for ensuring compliance with safety measures. Once the report of self-certification is received by the Electrical Inspector, the installation shall be considered fit for commencement of supply.

Bureau of Indian Standards Act, 2016 ("Bureau of Indian Standards Act")

The Bureau of Indian Standards Act provides for the establishment of a bureau for the standardization, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others (a) adopt as an Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any goods, article, process, system or service in relation to which the standard mark has been used conforms to the relevant standard or whether the standard mark has been properly used in relation to any goods, article, process, system or service with or without a license.

Bureau of Indian Standards Rules, 2018 ("Bureau of Indian Standards Rules")

The Bureau of Indian Standards Rules have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

Legal Metrology Act, 2009 ("Metrology Act")

The Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state. Rules are issued under the Metrology Act to regulate various matters including pre-packing, sale, distribution and delivery of commodities in packaged form.

Fire prevention laws

The state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India, which includes fire prevention and firefighting services. The state legislatures have also enacted fire control and safety rules and regulations such as the Karnataka Fire Services Act, 1964 and Telangana Fire Service Act, 1999 which are applicable to our manufacturing facilities established in Karnataka and Telangana, respectively. The legislations include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

National Policy on Electronics, 2019 ("NPE, 2019")

The NPE, 2019 envisions positioning India as a global hub for Electronics System Design and Manufacturing - (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. The NPE 2019 replaces the National Policy of Electronics 2012. The NPE 2019 when implemented will lead to formulation of several schemes, initiatives, projects, etc., in consultation with the concerned Ministries/ Departments, for the development of ESDM sector in the country. It will enable flow of investment and technology, leading to higher value addition in the domestically manufactured electronic products, increased electronics hardware manufacturing in the country and their export, while generating substantial employment opportunities.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

The Factories Act, 1948 ("Factories Act")

The term 'factory', as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the 'occupier' of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Employees' Compensation Act, 1923 ("EC Act")

The EC Act (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under

the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/ obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\serious bodily injury.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act")

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames the Employees Provident Funds Scheme, 1952

The Employees' State Insurance Act, 1948 (the "**ESI Act**") an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Environmental laws

***The Environment (Protection) Act, 1986* ("*EPA*")**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term "*hazardous waste*" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "*occupier*". Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Battery Waste Management Rules, 2022 ("Battery Rules")

The Battery Rules are framed under the EPA and apply to every producer, dealer, consumer, entities involved in collection, segregation, transportation, re-furbishment and recycling of waste battery. The Battery Rules prescribe the functions of a producer, consumer, refurbisher, recycler and dealers of the batteries as well as lay down the action on violations and imposition of environmental compensation. The rules cover all types of batteries, viz. electric vehicle batteries, portable batteries, automotive batteries and industrial batteries. The Battery Rules function based on the concept of 'extended producer responsibility' ("**EPR**"), where the producers (including importers) of batteries are responsible for collection and recycling or refurbishment of waste batteries and use of recovered materials from wastes into new batteries. To meet the EPR obligations, producers may engage themselves or authorise any other entity for collection, recycling or refurbishment of waste batteries. Every person or an entity involved in manufacturing of batteries shall register with Central Pollution Control Board ("**CPCB**") in accordance with the procedure provided in the Battery Rules.

In addition to the above-mentioned environmental laws, following is an indicative list of the environmental laws which may be applicable to our Company due to the nature of the business activities:

- Plastic waste management Rules, 2016;
- Bio-medical waste management Rules, 2016;
- E-waste (Management) Rules, 2016;
- Ozone Depleting Substances (Regulation and Control) Rules, 2000;
- Noise Pollution (Regulation and Control) Rules, 2000, as amended; and
- Gas Cylinders Rules, 2016.

Further, the Ministry of Environment, Forest and Climate Change, Government of India has also notified the E-waste (Management) Rules, 2022, which shall come into effect on April 1, 2023.

Tax laws

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its "Residential Status" and "Type of Income" involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

Goods and Service Tax ("GST")

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax - UTGST). The Parliament has exclusive power to levy GST (integrated tax- IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017, following

the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India.

Central Goods and Services Tax Act, 2017 ("CGST Act")

CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs.

The Customs Act, 1962

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The provisions relating to appointment of customs ports, airports, warehousing stations are laid down under the Act. There shall be absolute or partial prohibition on import or export of goods by the Central Government for maintenance of security in India. The interest on levy of or exemption of customs duty is laid down under Chapter V of the Act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

In addition to the aforementioned material legislation which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include, the Income Tax Rules, 1962, as amended by the Finance Act in respective years, the Central Goods and Service Tax Rules, 2017, and the Indian Stamp Act, 1899.

Foreign Investment Laws

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder ("FTA")

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. 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. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2021) prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("**IEC**") granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The Foreign Exchange Management Act, 1999 ("FEMA") and regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent 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 FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully

diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian companies as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, in accordance with Press Note No. 4 (2020 Series), dated October 15, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

Overseas Direct Investment ("ODI")

RBI and Ministry of Finance ("**MoF**") has combined erstwhile FEMA (Transfer or Issue of Foreign Security) Regulations, 2004 ("**erstwhile ODI regulations**") and FEMA (Acquisition and Transfer of immovable property outside India) Regulations, 2015 into FEMA (Overseas Investment) Regulations, 2022 ("**OI Regulations**"), FEMA (Overseas Investment) Rules, 2022 ("**OI Rules**") and Foreign Exchange Management (Overseas Investment) Directions, 2022 ("**OI Directions**"). In terms of the OI Regulations, OI Rules and OI Directions, an Indian entity is allowed to make ODI and Overseas Portfolio Investment ("**OPI**") under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% and 50% respectively, of its net worth. ODI can be made by, *inter alia*, subscription as part of memorandum of association or purchase of equity capital, listed or unlisted, acquisition through bidding or tender procedure, acquisition of equity capital by way of rights issue or allotment of bonus shares. OPI may be made by way of reinvestment.

Foreign Trade Regulations

Imports and exports are governed by the Foreign Trade (Development and Regulation) Act, 1992, as amended (the "**FTDR**") and the Export and Import Policy (the "**EXIM Policy**") formulated by the Central Government from time to time. FTDR provides for an Importer Exporter Code ("**IEC**") to be granted to those persons licensed to carry out imports and exports, which may be suspended or cancelled in case of violation of the provisions of FTDR or the EXIM Policy. No person is allowed to carry out imports and exports without a valid IEC. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is more.

Competition Act, 2002 ("Competition Act")

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India ("**Commission**") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act) he shall be punishable with a fine which may exceed to ₹0.1 million for each day during such failure subject to maximum of ₹10.0 million, as the Commission may determine.

Government Schemes

Production Linked Incentive Scheme ("PLI") for Automobile and Auto Component Industry

PLI for Automobile and Auto Component Industry was notified on 23 September 2021. An eligible company shall be eligible for benefits for five consecutive financial years, beginning from Financial Year 2023 but not extending beyond Financial Year 2027. Financial Year 2020 shall be treated as the base year for calculation of incentives. Incentive shall be provided based on the sales value of the automobiles and automotive components covered under this scheme.

This scheme has two components; i) champion OEM incentive scheme; and ii) component champion incentive scheme. The champion OEM incentive scheme is applicable to battery electric vehicles and hydrogen fuel cell vehicles, including two-wheelers, three-wheelers, passenger vehicles, commercial vehicles, tractors, automobile meant for military use and other vehicles powered by advanced automotive technology in accordance with standards prescribed by the Ministry of Heavy Industries GoI. The component champion incentive scheme is applicable to pre-approved advanced automotive technology vehicle components, completely knocked-down/semi knocked-down (CKD/SKD) kits, vehicle aggregates of two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use and other advanced automotive technology components in accordance with standards prescribed by the Ministry of Heavy Industries GoI. Both the components shall be applicable to automotive OEM companies (including their group companies) and new non-automotive investor companies (including their group companies).

Remission of Duties and Taxes on Exported Products Scheme ("RoDTEP Scheme")

The RoDTEP Scheme has been with effect from January 1, 2021. The aim of the RoDTEP Scheme was to reimburse all exporters for previously unreimbursable taxes and duties. This provides new benefits to exporters for exporting products outside of India and encourages global trade. Under the RoDTEP Scheme, support will be provided to eligible exporters at a notified rate as a percentage of Freight On Board ("**FOB**") value. Mandi tax, VAT, coal cess, central excise duty on fuel etc. is refunded. The refund is issued in the form of transferable electronic scrips. These duty credits will be maintained and tracked through an electronic ledger. Certain categories, which would not avail the benefits include export goods that are subject to minimum export price, restricted and prohibited items, deemed exports, supplies of goods manufactured by domestic tariff area units to Special Economic Zones ("**SEZs**"), and products manufactured or exported by units situated in SEZs.

Modified Special Incentive Package Scheme ("M-SIPS")

The M-SIPS was notified on 27 July 2012. Under M-SIPS, an incentive of 20% on the capital expenditure on plant and machinery is given to units situated in a SEZ and engaged in designing and manufacturing of electronic and nano-electronic products and their accessories. Further, an incentive of 25% is given for units which are not situated in a SEZ. The scheme shall apply to 44 categories/verticals across the value chain, including telecom products, IT hardware, consumer electronics, health and medical electronics, automotive electronics, intermediaries etc. The minimum investment thresholds for each product category/ vertical vary from ₹ 10 million for manufacturing of accessories to ₹ 50,000 million for manufacturing of semiconductor chips.

Industrial Development Policy, 2015-2020

The Government of Andhra Pradesh notified the Industrial Development Policy, 2015-2020 (the "**Industrial Policy**") and various sectoral policies including the i) Automobile and Automobile Components Policy, 2015- 2020; ii) Textile and Apparel Policy, 2015-2020; iii) Biotechnology Policy, 2015-2020; iv) MSME Policy, 2015- 2020; and v) Aerospace and Defence Manufacturing Policy. 2015-2020 (collectively, the "**Sectoral Policies**"). Under these policies, various incentives and benefits are offered to new industrial enterprises being set up in Andhra Pradesh and for the expansion/diversification of existing industries. Further, Operational Guidelines for the Implementation of the Industrial Development Policy and Sectoral Policies of Andhra Pradesh, 2015-2020 ("**Operational Guidelines**") were notified on 14 November 2015. The Operational Guidelines prescribe the quantum of reimbursement and subsidies, eligibility criteria, procedures for sanction and reimbursement etc. to be complied by industrial enterprises which are applying for incentives and benefits including, inter alia, i) subsidies on investment; ii) reimbursement of stamp duty, transfer duty, mortgage duty etc; iii) reimbursement of tax; iv) reimbursement of power consumption charges; and v) reimbursement of land conversion charges. As per the Operational Guidelines, projects which commenced commercial production between 1 April 2015 and 31 March 2020 (inclusive of both dates) are eligible for benefits and incentives under the Industrial Policy and the Sectoral Policies.

Intellectual property laws

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks. The registration of a trademark under the Trade Marks Act confers on the proprietor the exclusive right to the use of the trade mark, and the right to obtain relief in respect of infringement of the trade mark. The registration of a trademark shall be for a period of ten years, but may be renewed from time to time as prescribed under the Trade Marks Act. The Trade Marks Act also prescribes penalties for the falsification or false application of trade marks.

Other applicable laws

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

Labour related legislations

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following: It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as '*Rangsons Electronics Private Limited'* at Mysuru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 30, 1993 issued by the Registrar of Companies, Karnataka at Bengaluru. The name of our Company was changed to '*Cyient DLM Private Limited*' pursuant to a special resolution passed by our Shareholders on December 22, 2016 and a fresh certificate of incorporation pursuant to a change of name dated January 18, 2017 was issued by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, pursuant to a change in our registered office by way of a resolution passed by our Shareholders on August 1, 2019, a certificate of registration of regional director order in relation to the change of State was issued by the RoC on July 3, 2020. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on November 25, 2022, and the name of our Company was changed to '*Cyient DLM Limited*'. A fresh certificate of incorporation dated December 13, 2022 consequent upon change of name on conversion to a public limited company was issued by the RoC.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of our incorporation:

Effective date of change	Details of change in the address of the registered office	Reasons for change in the address of the registered office
July 3, 2020	The registered office of our Company was changed from 347, D1&2, KIADB Electronics City, Hebbal Industrial Area, Mysuru 570 016, Karnataka, India to 3rd Floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana, India.	Administrative convenience and efficiency

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. "*To manufacture, produce, process, procure, fabricate, design, develop, assemble, tabulate, purchase, sell, import export and otherwise to deal in all kinds of Electronic Assemblies, mechanical components, spares, consumables gadgets, accessories and other Cable assemblies, install, service all electronic and mechanical products and also to render technical, commercial, management and other types of consultancy services in the field of electronic and mechanical industries. To enter into collaboration agreements with any national and international organisations.*

2. *To carry on business of software development and hardware manufacture and maintenance and to run, establish training centers, colleges, institutes for computer education and electronic data processing and allied activities.*

3. *To manufacture, engineer, design, develop, assemble, produce, sell, purchase, deal in, repair, fabricate, import, export and act as agents, distributors and suppliers of aerospace components, aircraft components, telecommunication applications, medical applications, sub-assemblies, other developmental items, CNC machined components and other products and applications used in aviation, telecommunication, medical and other industry. To carry on the business of aeronautical telecommunication, medical applications and related system integration and certification including modifications, addition, removal and ab-initio installation of allied equipment on aeronautical machinery, aircraft, helicopters, air vehicles, telecommunication, medical and other industry. To carry on the business of integrated activities for maintenance of all types of aeronautical equipment's aircrafts, helicopters and other air vehicles and to carry on general purpose activates connected herewith. To provide know how, develop, manufacture, assemble electronic, electrical and/or mechanical avionic, nuclear, power and other cutting edge, high tech products.*

4. *To carry on the business of mechanical, electrical, hydraulic, electronic, precision and general engineers, machine and engineering tool makers, fitter, founders, brass founders, smiths and to manufacture, construct, produce, process, service, repair, procure, fabricate, design, develop make assemble, tabulate, purchase, sell, import, export and otherwise deal in all kinds of machinery, equipments, component, replacements parts, spares, consumables, gadgets, accessories and parts used in defense and other manufacturing industries.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution	Particulars
December 22, 2016	Clause I of the Memorandum of Association was amended to reflect a change in name of our Company from 'Rangsons Electronics Private Limited' to 'Cyient DLM Private Limited'.
August 1, 2019	Clause II of the Memorandum of Association was amended to reflect the change in situation of registered office from the State of Karnataka to State of Telangana.
July 28, 2022	Clause V of our Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹47,500,000 divided into 4,750,000 equity shares of ₹10 each to ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each.
November 25, 2022	Clause IIIA of the Memorandum of Association was amended to substitute sub-clause 1 with the following: "*1. To manufacture, produce, process, procure, fabricate, design, develop, assemble, tabulate, purchase, sell, import export and otherwise to deal in all kinds of Electronic Assemblies, mechanical components, spares, consumables gadgets, accessories and other Cable assemblies, install, service all electronic and mechanical products and also to render technical, commercial, management and other types of consultancy services in the field of electronic and mechanical industries. To enter into collaboration agreements with any national and international organisations.*"
	Clause IIIA of the Memorandum of Association was amended include the following after sub-clause 2: "*3. To manufacture, engineer, design, develop, assemble, produce, sell, purchase, deal in, repair, fabricate, import, export and act as agents, distributors and suppliers of aerospace components, aircraft components, telecommunication applications, medical applications, sub-assemblies, other developmental items, CNC machined components and other products and applications used in aviation, telecommunication, medical and other industry. To carry on the business of aeronautical telecommunication, medical applications and related system integration and certification including modifications, addition, removal and ab-initio installation of allied equipment on aeronautical machinery, aircraft, helicopters, air vehicles, telecommunication, medical and other industry. To carry on the business of integrated activities for maintenance of all types of aeronautical equipment's aircrafts, helicopters and other air vehicles and to carry on general purpose activates connected herewith. To provide know how, develop, manufacture, assemble electronic, electrical and/or mechanical avionic, nuclear, power and other cutting edge, high tech products.* *4. To carry on the business of mechanical, electrical, hydraulic, electronic, precision and general engineers, machine and engineering tool makers, fitter, founders, brass founders, smiths and to manufacture, construct, produce, process, service, repair, procure, fabricate, design, develop make assemble, tabulate, purchase, sell, import, export and otherwise deal in all kinds of machinery, equipments, component, replacements parts, spares, consumables, gadgets, accessories and parts used in defense and other manufacturing industries.*"
	Clause V of our Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each to ₹150,000,000 divided into equity shares 15,000,000 equity shares of ₹10 each.
	Clause I of the Memorandum of Association was amended to reflect a change in the name of our Company from '*Cyient DLM Private Limited*' to '*Cyient DLM Limited*', pursuant to conversion from a private limited company to a public limited company.
December 14, 2022	Clause V of our Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹150,000,000 divided into 15,000,000 equity shares of ₹10 each to ₹850,000,000 divided into equity shares 85,000,000 equity shares of ₹10 each.

Major events and milestones of our Company

Calendar Year	Major Events and Milestones
1993	• Incorporation of our Company.
2015	• Acquisition of 1,011,580 Equity Shares amounting to 74.00% of the equity share capital of our Company by Cyient Limited.
2016	• Change in the name of our Company from 'Rangsons Electronics Private Limited' to 'Cyient DLM Private Limited'.
2018	• Merger of Techno Tools Precision Engineering Private Limited, an erstwhile wholly owned subsidiary, into of our Company.
2019	• Acquisition of remaining 355,420 Equity Shares amounting to 26.00% of the equity share capital of our Company by Cyient Limited.

Calendar Year	Major Events and Milestones
2020	• Established a manufacturing facility in Hyderabad.
2022	• Entered into a New Product Introduction Contract with Honeywell Inc. for the supply of next generation cockpit avionics modules.

Awards, accreditations and recognitions received by our Company

Calendar year	Awards
2000	• Awarded the "Supplier Performance Award" by GE Medical Systems, South Asia.
2005	• Awarded the "Best Supplier – Printed Circuit Assembly for 2004-05" by Larsen and Toubro Limited.
2007	• Awarded the "Best Supplier Award – Printed Circuit Assembly for the year 2006-07" by Larsen and Toubro Limited.
2011	• Awarded for "Excellence in Quality, Cost & Delivery for the year 2010" by Bosch Limited.
2012	• Awarded for "High Growth in Electronic Hardware Exports – Tier II & III Region in 2011-12" by Software Technology Parks of India.
2013	• Awarded for "Excellence in Quality, Cost & Delivery for the year 2012" by Bosch Limited. • Awarded the "Award for ABB Sustainability" by ABB Inc.
2014	• Awarded the "Bosch Supplier Award" for the India region by Bosch Limited. • Awarded the "Supplier Award" by ABB Inc. • Awarded the "Best Electronics Manufacturing Services Company Award" by India Electronics and Semiconductor Association (IESA). • Awarded for "Best Performance in Highest Growth in Electronic Hardware Exports – Tier II & III Region in 2013-14" by Software Technology Parks of India.
2015	• Awarded the "Performance Award" by ABB Inc. • Awarded for "Best Performance in High Growth in Electronic Hardware Exports – Tier II & III Regions in 2014-15" by Software Technology Parks of India.
2017	• Awarded the "Lakshya 2020" award by Bosch Limited.
2019	• Awarded the "Platinum (First) Prize in Manufacturing Sector (Medium Category)" by Federation of Indian Chambers of Commerce and Industry (FICCI).
2020	• Awarded for "On Conformity Delivery performance" by the Thales Group. • Awarded for being the "Highest Exporter in Electronic Hardware – Tier II & III Region in 2019-20" by Software Technology Parks of India.
2021	• Awarded the "Partnership Recognition for 2020-21" certificate by Bharat Electronics Limited.
2022	• Received accreditation from NADCAP for "*Electronics – Cable and Harness Assemblies*". • Received accreditation from NADCAP for "*Electronics Printed Board Assemblies*".

Time and cost over-runs

Our Company has not experienced any time or cost overruns in the development, implementation pertaining to our business operations.

Defaults or re-scheduling/restructuring of borrowings

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by us from any bank or financial institution.

Capacity/facility creation, location of plants

For further details regarding our facilities, see "*Our Business – Our Manufacturing Facilities*" on page 163.

Lock-out and strikes

There have been no lock-outs or strikes at any time in our Company.

Significant financial and strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Details of guarantees given to third parties by promoters offering Equity Shares in the Issue

Considering that this Issue consists of a Fresh Issue only, our Promoter is not selling any Equity Shares in the Issue.

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 151.

Holding Company

Cyient Limited, our Promoter, is our holding company. For further details, please see "*Our Promoter and Promoter Group*" on page 201.

Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company has no subsidiaries.

Joint Venture

As on the date of this Draft Red Herring Prospectus, our Company has no joint ventures.

Associate

As on the date of this Draft Red Herring Prospectus, our Company has no Associate Companies.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Except as disclosed below, our Company has not acquired any material business/ undertakings, and has not undertaken any mergers, amalgamations or any revaluation of assets, in the last 10 years.

Scheme of amalgamation between our Company and Techno Tools Precision Engineering Private Limited ("Techno Tools")

Pursuant to a resolution of our Board passed on July 21, 2017 and a special resolution of our Shareholders passed on February 21, 2018, our Company filed an application for a scheme of amalgamation with Techno Tools, an erstwhile wholly owned subsidiary of our Company ("**Scheme**") under Sections 230 and 233 of the Companies Act before the Regional Director, South Eastern Region ("**Regional Director**"). The rationale for the Scheme was, *inter alia*, integrating and combining the businesses of Techno Tools and our Company, so as to lead to more optimal utilization of resources and reducing administrative costs and duplication costs. Pursuant to the Scheme, the entire business and undertaking of Techno Tools, including *inter alia*, debts, liabilities, properties, assets, licenses, workmen and pending legal proceedings, were transferred to and vested in our Company, from the date the Scheme came into effect. The Regional Director approved the Scheme pursuant to an order dated April 2, 2018, and the Scheme came into effect from April 1, 2017.

Shareholders' agreements and other agreements

Key ***terms of subsisting shareholders' agreements***

As on the date of this Draft Red Herring Prospectus, our Company has no subsisting shareholders' agreements.

Key terms of Share Purchase Agreements ("SPAs") in relation to our Company

Investment agreement dated January 2, 2015 entered into amongst our Promoter, G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company, as amended by Letter agreement dated January 21, 2019 entered into amongst our Promoter, G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company ("Investment Agreement") and share purchase agreement dated January 22, 2019 entered into amongst our Promoter, Sudheendhra Putty, G Pavan Ranga, Anirudh Ranga M, Arjun M Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company ("SPA")

Our Promoter entered into the Investment Agreement whereby G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga and R Sridhar (collectively, the "**Sellers**") agreed to sell 1,011,580 equity shares of our Company to our Promoter, for an aggregate consideration of ₹2,850.00 million. Pursuant to the Investment Agreement, the Sellers had the option, at any time on or before January 21, 2019, to sell all of the balance 355,420 equity shares of our Company held by them to our Promoter, such that our Promoter would be obligated to purchase them, on its own or through its nominee ("**Put Option**"). Further, in the event the Put Option was not consummated by the Sellers within the specified timelines, our Promoter had the right to purchase, on its own or through its nominee, all the remaining equity shares of our Company held by the Sellers, at any time on or after January 22, 2019 ("**Call Option**").

Pursuant to the exercise of the Call Option, the SPA was entered into pursuant to which the Sellers agreed to sell the remaining 355,419 equity shares of our Company to our Promoter, for an aggregate consideration of ₹424.99 million and one equity share for a consideration of ₹1,196 to Sudheendhra Putty, as a nominee of our Promoter.

Key terms of subsisting material agreements

Except as set out below, as on the date of this Draft Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business.

Trade-Name License Agreement dated December 13, 2022 executed between our Company and our Promoter ("Trademark License Agreement")

Our Company and our Promoter entered into the Trademark License Agreement, pursuant to which our Company has been granted a non-exclusive and non-transferable license to use the name "Cyient" and the logo of our Promoter as *inter alia* part of our corporate name, advertisements, annual reports and other business-related purposes, for a license fee of ₹ 0.1 million, payable on January 13, 2023. The license is perpetual, worldwide, non-sublicensable (except to our Company's affiliates), non-exclusive, royalty-free and non-transferable. Our Promoter is entitled to terminate the Trademark License Agreement, upon immediate written notice without the opportunity to cure, upon the occurrence of certain events, including but not limited to (a) adjudication of our Company as bankrupt; (b) failure or refusal of our Company to perform any obligation created under the Trademark License Agreement and (c) conviction of our Company or our shareholders, officers, directors or managing personnel, of any felony or criminal misconduct, relevant to the operation of the business of our Company.

Master Services Agreement dated December 13, 2022 executed by and between our Promoter and our Company ("Promoter Services Agreement")

Our Company and Promoter entered into the Promoter Services Agreement, for the provision of services by our Promoter to our Company. As per the Promoter Services Agreement, our Promoter would be required to perform the services as listed out under various 'Scope of Work' orders ("**SOWs**"), which would be executed under the Promoter Services Agreement, from time to time. Our Company would be required to pay a service fee equal to the costs incurred by our Promoter along with a mark-up of 5% on such costs. The Promoter Services Agreement acknowledges that any employee furnished by our Promoter to provide services to our Company would still remain as employee of our Promoter and would not be an employee of our Company.

Master Services Agreement dated December 13, 2022 executed by and between our Company and our Promoter ("DLM Services Agreement")

Our Company and Promoter entered into the DLM Services Agreement, for the provision of services by our Company to our Promoter. As per the DLM Services Agreement, our Company would be required to perform the services as listed out under various 'Scope of Work' orders ("**SOWs**") which would be executed under the DLM Services Agreement, from time to time. Our Promoter would be required to pay a service fee equal to the costs incurred by our Company along with a mark-up of 5% on such costs. The DLM Services Agreement acknowledges that any employee furnished by our Company to provide services to our Promoter would still remain as employee of our Company and would not be an employee of our Promoter.

Agreements with Key Managerial Personnel, Directors, Promoter or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel or Director or Promoter 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.

OUR MANAGEMENT

In terms of the Articles of Association, the maximum number of Directors that our Company can have fifteen directors. As on the date of this Draft Red Herring Prospectus, our Board has six Directors, comprising one Executive Director, two Non-Executive Directors and three Independent Directors, including one woman Independent Director.

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

S. No.	Name, designation, period, term of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
1.	**Rajendra Velagapudi** **Designation:** Managing Director **Period of Directorship:** Director since April 25, 2017 **Term:** With effect from April 24, 2020 for a period of five years **Address:** 110, My Home Madhuban Apartment, Srinagar Colony, Hyderabad 500 016, Telangana, India **Occupation:** Professional **Date of Birth:** June 2, 1963 **DIN:** 06507627 **Age:** 59 years	**Indian Companies:** Nil **Foreign Companies:** Nil
2.	**Ganesh Venkat Krishna Bodanapu** **Designation:** Chairman, Non-Executive & Non–Independent Director **Period of Directorship:** Director since February 4, 2015 **Term:** Liable to retire by rotation **Address:** Plot No. 347, Road No 22 Jubilee Hills Hyderabad 500033 **Occupation:** Professional **Date of Birth:** August 28, 1976 **DIN:** 00605187 **Age:** 46 years	**Indian Companies:** • Cyient Limited; • Infocad Enterprises Private Limited; • Saranam Ventures Private Limited; and • Vineyard Point Software Private Limited **Foreign Companies:** Nil
3.	**Venkat Rama Mohan Reddy Bodanapu** **Designation:** Non-Executive, Non–Independent Director **Period of Directorship:** Director since December 27, 2022 **Term:** Liable to retire by rotation **Address:** Plot No 1020, Road No. 46, Jubilee Hills, Hyderabad 500 033, Telangana, India **Occupation:** Professional **Date of Birth:** October 12, 1950 **DIN:** 00058215	**Indian Companies:** • Cyient Limited; • Cyient Urban Micro Skill Centre Foundation; • IIT Kanpur Development Foundation; • Infocad Enterprises Private Limited; • Kritsnam Technologies Private Limited; • Saranam Ventures Private Limited; • T-Hub Foundation; and • Vizag IT Park Limited **Foreign Companies:**

S. No.	Name, designation, period, term of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
		Nil
4.	**Vanitha Datla** **Designation:** Independent Director **Period of Directorship:** Director since December 13, 2022 **Term:** With effect from December 13, 2022 for a period of three years **Address:** H No: 8-2-293/82/A, Plot No – 170, Road No-13A, Jubilee Hills, Hyderabad **Occupation:** Professional **Date of Birth:** November 30, 1967 **DIN:** 00480422 **Age:** 55	**Indian Companies:** • Elico Healthcare Services Limited; • Elico Limited; • Elico Mechoptronix Private Limited; and • Eliscription Private Limited; • Srinivasa Farms Private Limited; • Visaka Industries Limited **Foreign Companies:** Nil
5.	**Jehangir Ardeshir** **Designation:** Independent Director **Period of Directorship:** Director since December 13, 2022 **Term:** With effect from December 13, 2022 for a period of three years **Address:** 302B, Paradise Apartments, Lane E (Off North Main Road), Koregaon Park, Pune 411 001, Maharashtra, India **Occupation:** Professional **Date of Birth:** September 22, 1957 **DIN:** 02344835 **Age:** 65	**Indian Companies:** • Forbes Marshall Private Limited; • Premium Transmission Private Limited; and • Walchand Peoplefirst Limited **Foreign Companies:** Nil
6.	**Pillutla Madan Mohan** **Designation:** Independent Director **Period of Directorship:** Director since December 27, 2022 **Term:** With effect from December 27, 2022 for a period of three years **Address:** PF-HT 1301, Indian School Of Business Campus, Gachibowli, Hyderabad 500032, Telangana, India **Occupation:** Dean-Indian School of Business **Date of Birth:** April 7, 1966 **DIN:** 09280818 **Age:** 56	**Indian Companies:** • AIC ISB Association; • DLABS Incubator Association; • Indian School of Business; and • T-Hub Foundation. **Foreign Companies:** Nil

Brief Biographies of Directors

Rajendra Velagapudi is the Managing Director of our Company. He holds a bachelor's degree in technology (Mechanical) from Faculty of Engineering, Nagarjuna University, a master's degree of engineering in automobile engineering from Anna University, Madras and degree of master of science in design of rotating mechanics from School of Mechanical Engineering, Cranfield University. Prior to joining our Company, he worked with Ford Truck Manufacturing Division, Simpsons Co. Ltd.

for a period of two years, Bajaj Tempo Limited and Bharat Earth Movers Limited for a period of over eight years. He was appointed to our Board of Directors with effect from April 25, 2017.

Ganesh Venkat Krishna Bodanapu is a Chairman, Non-Executive & Non-Independent Director of our Company. He holds a bachelor's degree of science in electrical engineering from Purdue University and a master's degree in business administration from the J.L Kellogg School of Management, Northwestern University. He has been associated with our Promoter since 2003 and currently is the managing director and chief executive officer of our Promoter. He was appointed to our Board of Directors with effect from February 4, 2015.

Venkat Rama Mohan Reddy Bodanapu is a Non-Executive, Non-Independent Director of our Company. He holds a bachelor's degree in engineering from Faculty of Engineering, Andhra University and degree of master of technology from Indian Institute of Technology, Kanpur. He also holds a master's degree of science from University of Mirhigan and a degree of doctor of philosophy from Jawaharlal Nehru Technological University. Previously, he has been associated with HCL Limited and Electronic Industries Association of Andhra Pradesh. He was appointed to our Board of Directors with effect from December 27, 2022.

Vanitha Datla is an Independent Director of our Company. She holds a bachelor's degree of arts from Faculty of Arts, Osmania University and post graduate diploma in business administration from ICFAI Business School. She has also completed the CFA program of the Institute of Chartered Financial Analysts of India. She is currently working with Elico Limited, Elico Healthcare Services Limited. Eliscription Private Limited and Elico Mechoptronix Private Limited. She is also an Independent Director in Visaka Industries Limited. She was appointed to our Board of Directors with effect from December 13, 2022.

Jehangir Ardeshir is an Independent Director of our Company. He holds a bachelor's degree of technology in agricultural engineering from Indian Institute of Technology, Kharagpur and post graduate diploma in management in agricultural and rural management from Indian Institute of Management, Bangalore. He has in the past been associated with Tata Iron & Steel Co. Limited, Tata Sons Limited, Tata Teleservices Limited, Terex India Private Limited and Forbes Marshall Private Limited. He was appointed to our Board of Directors with effect from December 13, 2022.

Pillutla Madan Mohan is an Independent Director of our Company. He holds a bachelor's degree of engineering (honours) from The Birla Institute of Technology & Science and a master's degree of science from University of Illionois and diploma honours in personnel management and industrial relations from XLRI, Jamshedpur. He also holds a doctorate of philosophy from the University of British Columbia, Vancouver Canada. He is currently the dean of Indian School of Business. He was appointed to our Board of Directors with effect from December 27, 2022.

Relationship between our Directors

Except for Venkat Rama Mohan Reddy Bodanapu who is the father of Ganesh Venkat Krishna Bodanapu, none of our Directors are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

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 members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company

None of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of our Executive Director

Rajendra Velagapudi

Rajendra Velagapudi is currently the Managing Director of our Company. He was last reappointed as Managing Director of our Company pursuant to board resolution dated April 24, 2020 for a period of five years with effect from April 24, 2020.

He was initially seconded by our Promoter to our Company as the Managing Director and chief executive officer of our Company in accordance with the secondment policy of our Promoter vide letter dated April 7, 2017. Pursuant to a Board resolution dated December 27, 2022, he has been redesignated as the Managing Director of our Company and has been onboarded as our permanent employee with effect from January 2, 2023.

Prior to January 2, 2023, the managerial remuneration to Rajendra Velagapudi was paid by our Promoter and was recharged to our Company. Pursuant to a resolution dated December 27, 2022 passed by our Board and resolution dated January 6, 2023 passed by our shareholders, the terms of his remuneration have been amended in accordance with the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in such manner that our Company shall pay his remuneration directly with effect from January 2, 2023. The details of such remuneration payable to Rajendra Velagapudi is provided below:

Particulars	Remuneration	
	Monthly(₹ in million)	Annualized (₹ in million)
Basic Pay	0.29	3.52
House Rent Allowance	0.14	1.76
Bouquet of Benefits (BoB)#	0.24	2.90
Advance Bonus*	0.0	0.03
Gross Salary	**0.68**	**8.23**
Statutory Benefits	(i) Provident fund equivalent to 12% of the basic pay (ii) Gratuity equivalent to 4.81% of the basic pay on completion of five years.	
Variable pay	₹ 4.22 million per annum	

** Advance bonus is an advance payment towards statutory bonus payable under Payment of Bonus Act, 1965. At the end of the relevant financial year once the bonus is declared by the company the payout will be adjusted towards statutory bonus payable.*
Bouquet of benefits is a basket of allowances from and any balance amount not claimed under any allowance is paid as balance of bouquet of benefit in the monthly salary. This will include an option for joining the company superannuation scheme by assigning some part of the bouquet of benefits towards the company contribution towards superannuation.

Payment or benefit to Directors of our Company

Details of remuneration paid to our Directors in Financial Year 2022 are set forth below.

Remuneration to our Executive Director

Details of the remuneration paid to our Executive Director in Financial Year 2022 is set forth below:

S. No.	Name of executive director	Remuneration (in ₹ million)
1.	Rajendra Velagapudi	16.15*^

**Managerial remuneration to Rajendra Velagapudi is paid by Cyient Limited, Holding Company and is recharged to our Company.*
^Excluding provisions for leave encashment, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Remuneration to our non-executive Directors

Non- Executive Directors

As on the date of Draft Red Herring Prospectus, our Non–Executive Directors are not entitled to any remuneration from our Company. No remuneration was paid to our Non- Executive Directors in the Financial Year 2022.

Independent Directors

Pursuant to the resolution passed by our Shareholders on January 6, 2023, the Independent Directors are entitled to receive a sum not exceeding 1% per annum of the net profits of our Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, as amended, in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of our Company for each year commencing April 1, 2022.

No remuneration was paid to our Independent Directors in the Financial Year 2022.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2022.

Remuneration paid to our Directors by our Subsidiaries

Our Company does not have any associate or subsidiary company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board. For further details, "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements*" on page 182.

Bonus or profit-sharing plan for Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Draft Red Herring Prospectus, except for Ganesh Venkat Krishna Bodanapu and Rajendra Velagapudi who hold 18 Equity Shares each as nominees of our Promoter, none of our Directors hold any Equity Shares.

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "*-Terms of appointment of our Executive Director"* on page 187.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

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 any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Date of Change	Reason for change in board
Suchitra R.C	December 30, 2020	Appointed as Executive Director
Suchitra R.C	October 10, 2022	Resigned as Executive Director
Jehangir Ardeshir	December 13, 2022	Appointed as Independent Director[(2)]
Vanitha Datla	December 13, 2022	Appointed as Independent Director[(3)]
Ajay Aggarwal	December 13, 2022	Resigned as Non- Executive Director
Pillutla Madan Mohan	December 27, 2022	Appointed as Independent Director[(4)]
Venkat Rama Mohan Reddy Bodanapu	December 27, 2022	Appointed as Non- Executive, Non-Independent Director[(5)]

[(1)] *Appointed as additional director on our Board with effect from December 13, 2022.*
[(2)] *Appointed as additional director on our Board with effect from December 13, 2022.*
[(3)] *Appointed as additional director on our Board with effect from December 27, 2022.*
[(4)] *Appointed as additional director on our Board with effect from December 27, 2022.*

Borrowing powers of the Board

Pursuant to a resolution passed by our Board in its meeting dated September 3, 2014 and our shareholders in their AGM held on September 25, 2014, our Board is authorised to borrow on behalf of our Company, any sum or sums of moneys, from time to time by way of term loans, non-convertible debentures, bonds, advances, credits, acceptance of deposits, or otherwise in Indian rupees or any foreign currency from any bonk(s), any financial institution(s), other entities, in India or abroad, , whether unsecured or secured, up to a sum of ₹ 5,000 million at any point of time including foreign currency in equivalent rupees, for and on behalf of our Company

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, shareholders/investor grievances committee, nomination and remuneration committee, corporate social responsibility committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board comprises of comprising one Executive Director, two Non-Executive Directors and three Independent Directors, including one woman Independent Director. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Jehangir Ardeshir, *Chairman*;

2. Vanitha Datla, *Member*; and

3. Ganesh Venkat Krishna Bodanapu, *Member*.

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on March 23, 2015 and reconstituted on December 27, 2022. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on December 27, 2022 are set forth below:

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of our Company;

(c) to obtain outside legal or other professional advice;

(d) to secure attendance of outsiders with relevant expertise if it considers necessary; and

(e) such powers as may be prescribed under the Companies Act and Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall, *inter alia,* include the following:

(a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of our Company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by management;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions;

(vii) modified opinion(s) in the draft audit report;

(e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of the Company, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) 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;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) 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;

(q) 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;

(r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) to review the functioning of the whistle blower mechanism;

(t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(u) carrying out any other function as is mentioned in the terms of reference of the audit committee;

(v) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and

(w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on our Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

(b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports relating to internal control weaknesses; and

(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(e) statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(f) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(g) Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Pillutla Madan Mohan, *Chairman*;

2. Vanitha Datla, *Member*; and

3. Venkat Rama Mohan Reddy Bodanapu, *Member*.

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board in its meeting held on March 23, 2015 and reconstituted on December 27, 2022 The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on December 27, 2022 are set forth below:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of our Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

(b) formulation of criteria for evaluation of performance of independent directors and the Board;

(c) 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:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates.

(d) devising a policy on Board diversity;

(e) 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);

(f) 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;

(g) recommend to the Board, all remuneration, in whatever form, payable to senior management;

(h) carrying out any other activities as may be delegated by the Board of Directors and 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.

Shareholders/Investor Grievances Committee

The members of the Shareholders/Investor Grievances Committee are:

1. Vanitha Datla, *Chairperson*;

2. Venkat Rama Mohan Reddy Bodanapu, *Member*; and

3. Ganesh Venkat Krishna Bodanapu, *Member*.

The Shareholders/Investor Grievances Committee was constituted pursuant to resolution passed by our Board in its meeting held on December 27, 2022. The scope and functions of the Shareholders/Investor Grievances Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on December 27, 2022 are set forth below:

(a) Resolving the grievances of the security holders of our Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(b) Review of measures taken for effective exercise of voting rights by shareholders.

(c) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(d) Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

(e) carrying out any other functions required to be carried out by the Shareholders/Investor Grievances as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the risk management committee are:

1. Jehangir Ardeshir, *Chairman*;

2. Vanitha Datla, *Member*; and

3. Ganesh Venkat Krishna Bodanapu, *Member*.

The Risk Management Committee was constituted pursuant to a resolution passed by our Board in its meeting held on December 27, 2022. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on December 27, 2022 are set forth below:

1. To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by our Company, 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 committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. 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.

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

1. Pillutla Madan Mohan, *Chairman*;

2. Venkat Rama Mohan Reddy Bodanapu, *Member*; and

3. Rajendra Velagapudi, *Member*.

The corporate social responsibility committee was constituted by our Board pursuant to resolution passed by our Board in its meeting held on September 3, 2014 and reconstituted on December 27, 2022. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on December 27, 2022 are set forth below:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, as amended;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) monitor the corporate social responsibility policy of our Company and its implementation from time to time; and

(d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

IPO Committee

The members of the IPO Committee are:

1. Ganesh Venkat Krishna Bodanapu; and

2. Rajendra Velagapudi.

The IPO committee was constituted by our Board pursuant to a resolution dated December 13, 2022 passed by our Board. The terms of reference as stipulated pursuant to a resolution dated December 13, 2022 passed by our Board are set forth below:

(a) To decide, in consultation with the BRLMS, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Issue, including the number of Equity Shares to be offered pursuant to the Issue (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;

(b) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Issue and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

(c) To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(d) To decide in consultation with the BRLMs on the actual Issue size, timing, pricing, discount, reservation and all the terms and conditions of the Issue, including the price band (including offer price for anchor investors), bid period, Issue price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including to make any amendments, modifications, variations or alterations in relation to the Issue;

(e) To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrars, sponsor bank, legal advisors, auditors, advertising agency and any other agencies or persons or intermediaries to the Issue and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution, remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and, if required, amendment of the Issue agreement with the BRLMs;

(f) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Issue agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of our Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Issue;

(g) To seek, if required, the consent and/or waiver of the lenders of our Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Issue or any actions connected therewith;

(h) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(i) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(j) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

(k) To accept and appropriate the proceeds of the Issue in accordance with the Applicable Laws;

(l) To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

(m) To approve the restated audited financial statements of the Company, prepared by the Company in accordance with the requirements of relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended for the purposes of inclusion in the Issue Documents;

(n) To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

(o) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

(p) To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;

(q) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

(r) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

(s) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

(t) To settle all questions, difficulties or doubts that may arise in regard to the Issue, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

(u) To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, and the relevant stock exchange(s) where the Equity Shares are to be listed;

(v) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

(w) To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;

(x) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

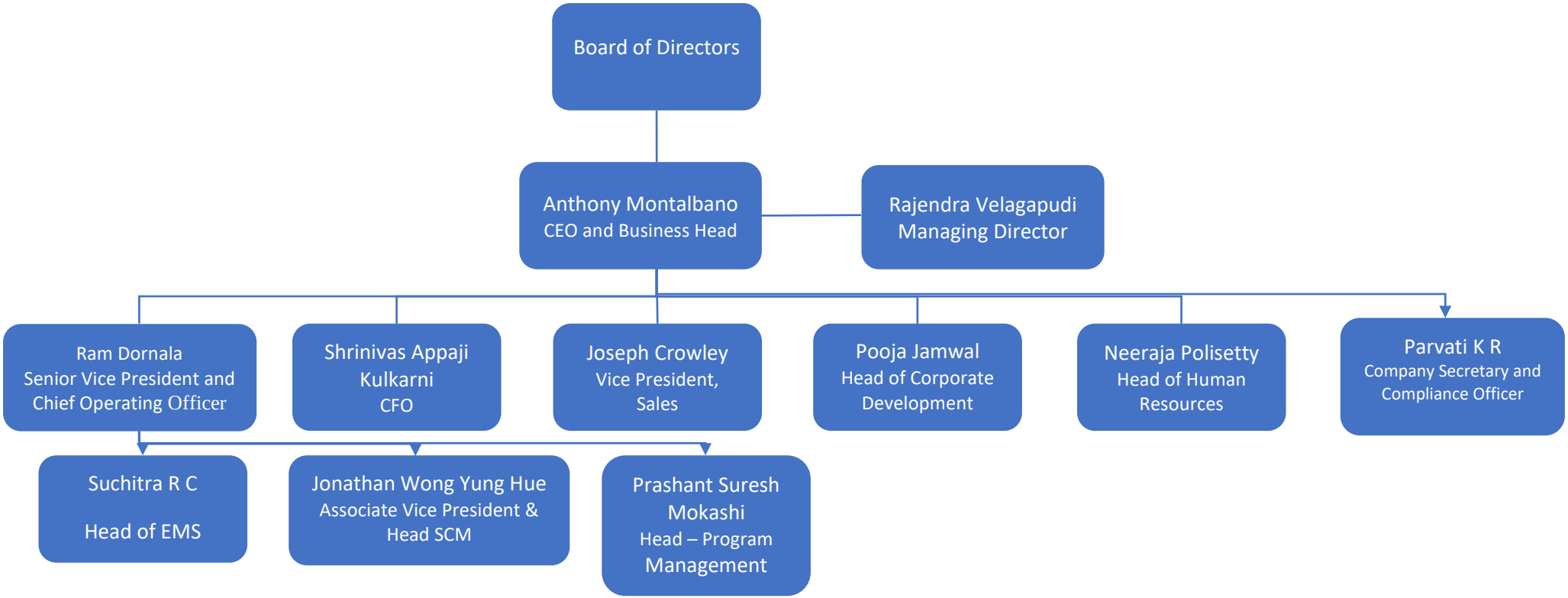
(y) To approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus; and to approve the list of pending litigations involving such group companies which has a material impact on the Company;

(z) Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

(aa) to withdraw the DRHP or the RHP or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

(bb) To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Issue, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

Management Organisation Structure



Key Managerial Personnel

Rajendra Velagapudi is the Managing Director of our Company. For details, see "– *Brief Biographies of Directors*" on page 185. For details of compensation paid to him, see "*Terms of Appointment of our Executive Director*" on page 187.

Anthony Montalbano is the Chief Executive Officer and Business Head of our Company. He holds a bachelor's degree of arts from Western Washington University and master's degree of business administration from UCLA. Prior to joining our Company, he as associated with Flex, USA for a period of 10 years, HCL America Inc. and Wipro Limited. Since he joined our Company in January 2, 2023, he has not received any remuneration from our Company in the Financial Year 2022.

Ram Dornala is the Senior Vice President and Chief Operating Officer of our Company. He holds a bachelor's of engineering, mechanical engineering from Faculty of Engineering, Osmania University, Hyderabad, India and master's degree of science in engineering (industrial) from Western Michigan University. Prior to joining our Company, he as associated with Jabil Circuit, San Francisco, USA for a period of 20 years and Wistron Technology Service (America) Corporation. Since he joined our Company in January 2, 2023, he has not received any remuneration from our Company in the Financial Year 2022.

Shrinivas Appaji Kulkarni is the Chief Financial Officer of our Company. He holds a bachelor's degree in science from Karnatak University, Dharwad and diploma in business finance from the Institute of Chartered Financial Analysts of India. He is an associate member of Institute of Cost Accountants of India. He was previously associated with Ind- Telesoft Private Limited, Intel Corporation, Intel India Private Limited, EMC Software and Service India Private Limited and Sasken Communication Technologies Ltd. He joined our Company on January 2, 2023. Since he joined our Company in January 2, 2023, he has not received any remuneration from our Company in the Financial Year 2022.

Joseph Crowley is the Vice President, Sales of our Company. He holds a bachelor's degree of arts from Saint Anslem College, Manchester and a postgraduate diploma in leadership from Emeritus, Singapore. He was previously associated with Celestica Corporation for over eight years and Venture Electronics Incorporation, Inc. for over seven years. He joined our Company on January 2, 2023. Since he joined our Company in January 2, 2023, has not received any remuneration from our Company in the Financial Year 2022.

Pooja Jamwal is the Head of Corporate Development of our Company. She holds a bachelor's degree of computer application from Karnataka University and post graduate diploma in management from Symbiosis Institute of Management Studies, Pune. She was previously associated with DMV Business & Market Research Private Limited and Cyient Limited. Since she joined our Company in January 2, 2023, she has not received any remuneration in the Financial Year 2022.

Neeraja Polisetty is the Head of Human Resources of our Company. She holds a bachelor's degree in science from Faculty of Science, Osmania University, Hyderabad and post graduate diploma in business administration from Siva Sivani Institute of Management, Hyderabad. She completed the Cyient Global Leader Program from the Wharton School, Aresty Institute of Executive Education, University of Pennsylvania. She has over 18 years of experience in the field of human resources. She was previously associated with Wipro Technologies, Mercury Outsource Management Limited. Since she joined our Company in January 2, 2023, she has not received any remuneration in the Financial Year 2022.

Suchitra R C is the Head of EMS of our Company. She holds a bachelor's degree of engineering from Manipal Institute of Technology, Mangalore University and has completed advanced management programme for manufacturing and operations from Indian School of Business. She joined our Company on November 5, 1993. During Financial Year 2022, she received a remuneration of ₹ 7.43 million.*

Jonathan Wong Yung Hue is the Associate Vice President & Head SCM of our Company. He holds a bachelor's degree in science from National University of Singapore. He was previously associated with Kam Yuen Watch Parts Manufactory Limited, ams Sensors Singapore Pte. Ltd., Samina – SCI Systems Singapore Pte. Ltd and Cyient Singapore Private Limited. Since he joined our Company in January 2, 2023, he has not received any remuneration in the Financial Year 2022.

Prashant Suresh Mokashi is the Head – Program Management in our Company. He holds a bachelor's degree in engineering from University of Pune and diploma in electronics & radio engineering from Cusrow Wadia Institute of Technology, Pune. Previously, he was associated with Kalyani Sharp India Limited, Celetronix India Pvt. Ltd. and Eolane Electonics Bangalore Private Limited. He joined our Company on January 25, 2016. During Financial Year 2022, he received a remuneration of ₹ 5.70 million.

Parvati K R is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree of commerce from University of Mysore, bachelor of law from University of Mysore and master of human resource from Faculty of Arts, Annamalai University. She is a member of the Institute of Company Secretaries of India. Previously, she was associated with Sree LPG Private Limited, Hedge & Co., Trade and Technology Centre for Electronics, Hindustan Engineering Company and

Sagas Auto Tec Private Limited. She joined our Company in October 7, 2015. During Financial Year 2022, she received a remuneration of ₹ 1.58 million.*

**Excluding provisions for leave encashment, gratuity and premium paid for group health insurance, as separate actuarial valuation/premium paid are not available.*

Relationship between our Key Managerial Personnel and Directors

None of our Key Managerial Personnel are related to each other.

Status of Key Managerial Personnel

Rajendra Velagapudi, Anthony Montalbano, Ram Dornala, Shrinivas Appaji Kulkarni, Joseph Crowley, Pooja Jamwal, Neeraja Polisetty were permanent employees of our Promoter prior to January 2, 2023. Jonathan Wong Yung Hue was a permanent employee of Cyient Singapore prior to January 2, 2023. With effect from January 2, 2023, these KMPs have been onboarded as permanent employees of our Company as per the secondment policy of our Promoter.

All our Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

None of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Bonus or profit-sharing plans for our Key Managerial Personnel

Our Key Managerial Personnel are not parties to any bonus or profit-sharing plan of our Company. However, some of our KMPs are entitled to receive one or more of long term incentives, variable pay, performance linked incentives in accordance with their respective employment letters in the ordinary course of their employment with our Company.

Further certain of our KMPs are entitled to receive a one time compensation ranging from US$ 0.1 million to US$ 0.3 million on joining our Company and / or completion of first year anniversary with our Company. Such one time compensation is subject to be returned to our Company in case such KMPs resign within a period ranging from 18 months to 24 months from the respective payment of such one time compensation to them.

Shareholding of Key Managerial Personnel in our Company

Except for Shrinivas Appaji Kulkarni and Rajendra Velagapudi who hold 18 Equity Shares as nominee of our Promoter, none of our KMPs hold any Equity Shares.

Some of our KMPs hold employee stock options under Associate Stock Option Plan 2008, Associate Stock Option Plan 2015, Associate Restricted Stock Units Scheme 2020 and Associate Stock Option Scheme 2021 of our Promoter. Upon vesting and exercise of such options, such KMPs will be eligible to be allotted equity shares of our Promoter.

Changes in our Key Managerial Personnel in the three immediately preceding years

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below:

Name	Date of change	Reason for change
Rajendra Velagapudi	December 27, 2022	Cessation as chief executive officer
Anthony Montalbano	January 2, 2023	Appointed as CEO and Business Head
Shrinivas Appaji Kulkarni	January 2, 2023	Appointed as CFO
Ram Dornala	January 2, 2023	Appointed as Senior Vice President and Chief Operating Officer
Joseph Crowley	January 2, 2023	Appointedas Vice President, Sales
Pooja Jamwal	January 2, 2023	Appointed as Head of Corporate Development
Neeraja Polisetty	January 2, 2023	Appointed as Head of Human Resources
Jonathan Wong Yung Hue	January 2, 2023	Appointed as Associate Vice President & Head SCM

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed or selected as a Key Managerial Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Contingent and deferred compensation payable to our Key Managerial Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel which accrued in Fiscal 2022.

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except for the remuneration for services rendered as Directors, officers or employees of our Company and as disclosed in " – *Interests of Directors*" on page 188 and stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amounts or benefits in kind have been paid or given, or are intended to be paid or given, to any of our Company's officers including the Key Managerial Personnel in the two years preceding the date of this Draft Red Herring Prospectus.

Employee stock option plan

For details of ESOP 2022, see "*Capital Structure*" on page 69.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Cyient Limited is the Promoter of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoter, together with its nominees holds 100% of the issued, subscribed, and paid-up Equity Share capital of our Company*. For details of the shareholding of our Promoter in our Company, as on the date of this Draft Red Herring Prospectus, see *"Capital Structure – History of the equity share capital held by our Promoter – Build-up of the equity shareholding of our Promoter in our Company"*, on page 72.

**Note: Includes 18 Equity Shares each held by Sudheendhra Putty, Ganesh Venkat Krishna Bodanapu, Ajay Aggarwal,* Rajendra *Velagapudi, Shrinivas Appaji Kulkarni and Ravi Kumar Nukala as nominees of our Promoter.*

Details of our Promoter

Corporate Information

Cyient Limited was incorporated on August 28, 1991 as 'Infotech Enterprises Private Limited', as a private limited company under the Companies Act, 1956. Subsequently, the name of the company was changed to 'Infotech Enterprises Limited' pursuant to a fresh certificate of incorporation consequent on the conversion to public company on September 7, 1995. The name of our Promoter was subsequently changed to Cyient Limited on May 5, 2014.

The registered office of Cyient Limited is 4th Floor, 'A' Wing, Plot Number 11, Software Units Layout Infocity, Madhapur, Hyderabad 500081, Telangana, India.

Cyient Limited is a listed company. Our Promoter's equity shares are listed on BSE and NSE.

Nature of business

Our Promoter is a leading consulting-led, industry-centric, technology solutions company. It enables its customers to apply technology imaginatively across their value chain to solve problems that matter. It is committed to designing tomorrow with its stakeholders and being a culturally inclusive, socially responsible, and environmentally sustainable organization.

Our Promoter has not changed its principal activities from the date of its incorporation.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of our Promoter comprises of:

Sr. No.	Name of the director	Designation
1.	Ganesh Venkat Krishna Bodanapu	Managing Director and Chief Executive Officer
2.	Ajay Aggarwal	Executive Director and Chief Financial Officer
3.	Karthikeyan Natarajan	Executive Director and Chief Operating Officer
4.	Venkat Rama Mohan Reddy Bodanapu	Founder, Chairman and Non-Executive Director
5.	M.M. Murugappan	Chairman and Non-Executive Director, Non-Independent Director
6.	Vivek Narayan Gour	Non-Executive and Independent Director
7.	Matangi Gowrishankar	Non-Executive and Independent Director
8.	Vikas Sehgal	Non-Executive and Independent Director
9.	Abhishek Ramesh	Non-Executive and Independent Director

Shareholding Pattern

The shareholding pattern of our Promoter as of September 30, 2022 is as provided below:

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 Equity Shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity 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 equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: others	Total								
(A)	**Promoter and promoter group**	12	2,58,22,188	-	-	2,58,22,188	23.37	2,58,22,188	-	2,58,22,188	23.37	-	23.37	-	-	3,35,600	1.30	2,58,22,188
(B)	**Public**	1,24,610	8,35,74,941	-	-	8,35,74,941	75.65	8,35,74,941	-	8,35,74,941	75.65	-	75.65	-	-	-	-	8,29,76,110
(C)	**Non-promoter – non public**	1	10,79,000	-	-	10,79,000	0.98	10,79,000	-	10,79,000	0.98	-	0.98	-	-	-	-	10,79,000
(C1)	**Equity shares underlying depository receipts**	-	-	-	-	-	0.00	-	-	-	0.00	-	0.00	-	-	-	-	-
(C2)	**Equity shares held by employee trusts**	1	10,79,000	-	-	10,79,000	0.98	10,79,000	-	10,79,000	0.98	-	0.98	-	-	-	-	10,79,000
	Total	**1,24,623**	**11,04,76,129**	**-**	**-**	**11,04,76,129**	**100.00**	**11,04,76,129**	**-**	**11,04,76,129**	**100.0**	**-**	**100.0**	**-**	**-**	**3,35,600**	**1.30**	**10,98,77,298**

Our Company confirms that the permanent account number, bank account number, company registration number and the details of the RoC where our Promoter is registered shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Details of change in control of Cyient Limited

There has been no change in the control of our Promoter in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of Cyient Limited

The following are the promoters of Cyient Limited and their percentage shareholding in our Promoter as on September 30, 2022:

S. No	Name of the Promoter	Shareholding percentage (%)
1.	Ganesh Venkat Krishna Bodanapu	1.73
2.	Bodanapu Sri Vaishnavi	1.62
3.	Venkat Rama Mohan Reddy Bodanapu	0.34
4.	Sucharitha Bodanapu	0.34
5.	D. Nageswara Reddy	0.16
6.	Bodanapu Avanti Reddy	0.12
7.	Carol Ann Reddy	0.03
8.	BVS Ratna Kumari	0.01
9.	B Ashok Reddy	0.00
10.	A Amala Reddy	0.00
Total		**4.36**

Interest of our Promoter

Our Promoter is interested in our Company to the extent that it is the promoter of our Company and to the extent of its shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by it. For details of the shareholding of our Promoter in our Company, see *"Capital Structure – History of the equity share capital held by our Promoter – Build-up of the equity shareholding of our Promoter in our Company"*, on page 72.

Our Promoter may also be deemed to be interested in certain borrowings availed by us from our Promoter. For further details, see *"Financial Indebtedness"* on page 290.

Our Promoter did not have interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Payment or Benefits to our Promoter

Except in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" on page 265, no amount or benefit has been paid or given to our Promoter or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or any of the members of the Promoter Group other than in the ordinary course of business.

Except the Trademark License Agreement, Promoter Services Agreement and DLM Services Agreements as disclosed in the "*History and Certain Corporate Matters – Shareholders' agreements and other agreements - Key terms of subsisting material agreements*" on page 183 and except in the normal course of business and as stated in the "*Other Financial Information - Related Party Transactions*" on page 265, our Company has not entered into any contract, agreements or arrangements in which our Promoter are directly or indirectly interested, and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with it. Typically, related party transactions with our promoter include loans received, loan repayments, corporate guarantees received and liquidated. Additionally, pursuant to a share purchase agreement dated September 14, 2022 executed between our Company and our Promoter ("**ICS SPA**"), our Promoter sold 2,342,869 equity shares of Innovation Communication Systems Private Limited to our Company at a price of ₹ 380.73 per equity share and for a total consideration of ₹ 892.00 million.

No sum has been paid or agreed to be paid by our Company, to our Promoter or to such firm or company in cash or shares wherein our Promoter are interested as member, or promoter or otherwise as an inducement by any person for services rendered by the Promoter or by such firm or company in connection with the promotion or formation of our Company.

Change in the control of our Company

There has not been any change in the control of our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Material guarantees to third parties with respect to the Equity Shares

As on the date of this Draft Red Herring Prospectus, our Promoter has not given any material guarantees to any third-party with respect to the Equity Shares.

Companies with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated itself from any company during the preceding three years from the date of filing this Draft Red Herring Prospectus:

For other relevant confirmations in relation to our Promoter and Promoter Group, see "*Other Regulatory and Statutory Disclosures – Prohibition by SEBI or other Governmental Authorities*" on page 303.

Fraudulent Borrower

Our Promoter has not been declared as Wilful Defaulter or Fraudulent Borrower.

Promoter Group

Apart from our Promoter, the following entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Entities forming part of the Promoter Group

S. No	Name of Promoter group entities	Promoter group relation
1.	Cyient Australia Pty Limited	Subsidiary of Cyient Limited
2.	Cyient Europe Limited	Subsidiary of Cyient Limited
3.	Cyient GmbH	Subsidiary of Cyient Limited
4.	Cyient Inc.	Subsidiary of Cyient Limited
5.	Cyient Insights Private Limited	Subsidiary of Cyient Limited
6.	Cyient Israel India Limited	Subsidiary of Cyient Limited
7.	Cyient KK	Subsidiary of Cyient Limited
8.	Cyient Singapore Private Limited	Subsidiary of Cyient Limited
9.	Cyient Solutions and Systems Private Limited	Subsidiary of Cyient Limited
10.	Cyient Urban Micro Skill Centre Foundation	Subsidiary of Cyient Limited
11.	Akilea Overseas Ltd (France)	Step-down subsidiary of Cyient Limited
12.	AnSem NV	Step-down subsidiary of Cyient Limited
13.	Celfinet – Consultoria em Telecomunicações, S.A. (Portugal)	Step-down subsidiary of Cyient Limited
14.	Celfinet (Brazil) - Consulting in Telecommunications, Ltda, Brazil	Step-down subsidiary of Cyient Limited
15.	Celfinet Espanã - Telecommunications Consulting, SL, Spain	Step-down subsidiary of Cyient Limited
16.	Celfinet Mozambique – Consultoria em Telecomunicações, Limitada (Mozambique)	Step-down subsidiary of Cyient Limited
17.	Celfinet UK Telecommunications Consulting Services Ltd, UK	Step-down subsidiary of Cyient Limited
18.	Citec AB (Sweden)	Step-down subsidiary of Cyient Limited
19.	Citec Engineering France Sarl (France)	Step-down subsidiary of Cyient Limited
20.	Citec Engineering India Ltd	Step-down subsidiary of Cyient Limited
21.	Citec Group France SAS (France)	Step-down subsidiary of Cyient Limited
22.	Citec group OY Ab (Finland)	Step-down subsidiary of Cyient Limited
23.	Citec Information & Engineering GmbH (Germany)	Step-down subsidiary of Cyient Limited
24.	Citec Norway AS (Norway)	Step-down subsidiary of Cyient Limited
25.	Citec OY Ab (Finland)	Step-down subsidiary of Cyient Limited
26.	Cyient AB	Step-down subsidiary of Cyient Limited
27.	Cyient Benelux BV	Step-down subsidiary of Cyient Limited
28.	Cyient Canada Inc.	Step-down subsidiary of Cyient Limited
29.	Cyient Defense Services Inc.	Step-down subsidiary of Cyient Limited
30.	Cyient Schweiz GmbH	Step-down subsidiary of Cyient Limited
31.	Cyient SRO	Step-down subsidiary of Cyient Limited
32.	GRIT Consulting Pte Ltd, Singapore	Step-down subsidiary of Cyient Limited
33.	IG Partners South Africa (Pty) Ltd, South Africa	Step-down subsidiary of Cyient Limited
34.	Integrated Global Partners Pte. Limited, Singapore	Step-down subsidiary of Cyient Limited

S. No	Name of Promoter group entities	Promoter group relation
35.	Integrated Global Partners Pty Limited, Australia	Step-down subsidiary of Cyient Limited
36.	Integrated Global Partners SpA, Chile	Step-down subsidiary of Cyient Limited
37.	METEMESONIP, UNIPESSOAL LDA, Portugal	Step-down subsidiary of Cyient Limited
38.	Sentiec Oyj. (Finland)	Step-down subsidiary of Cyient Limited
39.	Workforce Delta Pty Limited, Australia	Step-down subsidiary of Cyient Limited
40.	Cyient Associate Stock Option Scheme 2021 Trust	Trust settled by Cyient Limited for administering employee stock options
41.	Cyient Foundation	Trust settled by Cyient Limited for administering corporate social responsibility activities for Cyient Limited and its subsidiaries
42.	Infotech ESOP Trust	Trust settled by Cyient Limited for administering employee stock options
43.	Infotech HAL Limited	Entities in which Cyient Limited holds 20% or more of the equity share capital

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Pursuant to a resolution dated January 5, 2023, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies of our Company shall include the companies (other than our Promoter) with which there were related party transactions, as per Ind AS 24 and as disclosed in the Restated Summary Statement ("**Relevant Period**"). Additionally, companies shall be considered material, that are a part of the Promoter Group with which there were transactions in the most recent financial year and relevant stub period, respectively, as disclosed in the Restated Summary Statement included in the Issue Documents ("**Test Period**"), exceeds individually or in the aggregate, 10% of the total restated revenue of our Company for the most recent financial year for which Restated Summary Statement are included in the Issue Documents, shall also be classified as Group Companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

1. Cyient Inc.;
2. Cyient GmbH;
3. Cyient Singapore Private Limited; and
4. Cyient Israel India Ltd.

In accordance with the SEBI ICDR Regulations, financial information in relation to our Group Companies, extracted from their respective audited financial statements (as applicable) are available at the websites indicated below.

Details of our Group Companies

1. *Cyient Inc.*

Registered office

The registered office of Cyient Inc. is situated at Riverview Square, 99 East River Drive, 5th Floor, East Hartford, CT 06108.

Financial information

The summary financial information derived from the audited financial statements of Cyient Inc. for Fiscals 2022, 2021 and 2020 and as required by the SEBI ICDR Regulations, are available on www.cyientdlm.com/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.cyientdlm.com would be doing so at their own risk.

2. *Cyient GmbH*

Registered office

The registered office of Cyient GmbH is situated at Industriestr. 23, 705 65 Stuttgart, Deutschland.

Financial information

The summary financial information derived from the audited financial statements of Cyient GmbH for Fiscals 2021, 2020 and 2019 and as required by the SEBI ICDR Regulations, are available www.cyientdlm.com/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.cyientdlm.com would be doing so at their own risk.

3. *Cyient Singapore Private Limited ("Cyient Singapore")*

Registered office

The registered office of Cyient Singapore is situated 1 North Bridge Road, #19-04/05 High Street Center, Singapore 179 094.

Financial information

The summary financial information derived from the audited financial statements of Cyient Singapore for Fiscals 2022, 2021 and 2020 and as required by the SEBI ICDR Regulations, are available on www.cyientdlm.com/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.cyientdlm.com would be doing so at their own risk.

4. *Cyient Israel India Ltd. ("Cyient Israel")*

Registered office

The registered office of Cyient Israel is situated at David Ben-Gurion 1, Bnei Brak, Israel.

Financial information

The summary financial information derived from the audited financial statements of Cyient Israel for Fiscals 2021, 2020 and 2019 and as required by the SEBI ICDR Regulations, are available on www.cyientdlm.com/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.cyientdlm.com would be doing so at their own risk.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies are interested in the promotion of our Company as on the date of the Draft Red Herring Prospectus.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

Certain of our Group Companies are engaged in manufacturing activities. However, they operate only in markets which are different from the markets we operate in. Accordingly, our Group Companies are not involved in any kind of common pursuits with our Company or other Group Companies as on the date of this Draft Red Herring Prospectus.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Other than the transactions such as, *inter alia*, purchase of goods, marketing expenses disclosed in "*Summary of this Draft Red Herring Prospectus – Summary of Related Party Transactions*" on page 22, there are no other related business transactions with our Group Companies.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and other than the transactions disclosed in the section "*Summary of this Draft Red Herring Prospectus– Summary of Related Party Transactions*" on page 22, none of our Group Companies have any business interest in our Company.

Confirmations

None of our Group Companies have any securities listed on any stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on December 27, 2022 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors such as (a) reported and projected net profit after tax ; (b) reported and projected statements of free cash flow generation; (c) current and projected cash balance; (d) liquidity and return ratios and any other factors and/or material events which is likely to have a significant impact on our Company, and external factors, such as contractual or statutory restrictions, growth and performance of the economy or any other external factors which may impact our Company's operations.

Our Company has not declared dividends on the Equity Shares during the current Financial Year and the preceding three Financial Years.

SECTION V: FINANCIAL INFORMATION

RESTATED SUMMARY STATEMENT

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Independent Auditors' Examination Report on the restated summary statement of assets and liabilities as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, restated summary statement of profits and losses (including other comprehensive income), restated summary statement of cash flows and changes in equity for the six months period ended September 30, 2022 and each of the years ended March 31, 2022, 2021 and 2020, summary statement of significant accounting policies and other explanatory information of Cyient DLM Limited (formerly known as Cyient DLM Private Limited) (collectively, the "Restated Summary Statement").

To
The Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited,
3rd floor, Plot No. 11,
Software Units Layout,
Infocity, Hyderabad,
Telangana - 500081

Dear Sirs:

1. We have examined the attached Restated Summary Statement of Cyient DLM Limited (formerly known as Cyient DLM Private Limited) (the "Company") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed Initial Public Offer ("IPO"). The Restated Summary Statement, which have been approved by the Board of Directors of the Company at their meeting held on January 05, 2023, have been prepared in accordance with the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
    b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Summary Statement

2. The preparation of the Restated Summary Statement, which are to be included in the DRHP is the responsibility of the Management of the Company. The Restated Summary Statement have been prepared by the Management of the Company on the basis of preparation, as stated in note 2.1 to the Restated Summary Statement. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Summary Statement. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Summary Statement taking into consideration:

    a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated December 28, 2022, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
    b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI.
    c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Summary Statement; and
    d) The requirements of Section 26 of the Act and the ICDR Regulations.

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

The Company proposes to make an IPO which comprises of fresh issue of its equity shares of **Rs. 10** each at such premium arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Company's Board of Directors.

Restated Summary Statement

4. These Restated Summary Statement have been compiled by the management of the Company from:
   a) Audited interim financial statements of the Company as at and for the six months period ended September 30, 2022 prepared in accordance with the Indian Accounting Standard 34 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 January 05, 2023.

   b) Audited financial statements of the Company as at and for each of the year ended March 31, 2022, 2021 and 2020, which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 20, 2022, May 24, 2021 and July 08, 2020 respectively.

Auditors Report

5. For the purpose of our examination, we have relied on Auditors' reports issued by us, dated January 05, 2023, April 20, 2022, May 24, 2021 and July 08, 2020 on the financial statements of the Company as at and for the six months period ended September 30, 2022 and as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively as referred in Paragraph 4 a) and 4 b) above.

6. Based on our examination and according to the information and explanations given to us, we report that Restated Summary Statement of the Company:

   i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2022, 2021 and 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2022;

   ii. There are no qualifications in the auditors' reports on the audited financial statements of the Company as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 which require any adjustments to the Restated Summary Statement. However, those qualifications in the Companies (Auditor's Report) Order, 2020 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 Financial Information have been disclosed in Annexure VI to the Restated Summary Statement; and

   iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2022. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to September 30, 2022.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. The Restated Summary Statement do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 4 above.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. 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.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 23213271BGSEEJ6810
Place of Signature: Hyderabad
Date: January 05, 2023

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
(CIN No.: U31909TG1993PLC141346)
Annexure I - Restated Summary Statement of Assets and Liabilities
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Annexure V(b) Note	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ASSETS					
Non-current assets					
Property, plant and equipment	3A	1,251.98	1,294.83	1,400.89	572.36
Right of use assets	3B	364.07	382.86	420.11	452.69
Capital work-in-progress	3C	0.92	33.91	23.16	774.00
Goodwill	4	30.30	30.30	30.30	30.30
Other intangible assets	5	19.83	14.12	4.94	6.58
Financial assets					
(a) Investments	6	895.22	3.22	3.22	3.22
(b) Other financial assets	7	33.80	38.80	46.20	55.88
Deferred tax assets (net)	17.2	33.12	38.98	50.86	61.98
Income tax assets	17.3	5.03	5.03	5.84	8.54
Other non-current assets	8A	4.74	8.11	35.59	89.24
Total non-current assets		**2,639.01**	**1,850.16**	**2,021.11**	**2,054.79**
Current assets					
Inventories	9	3,953.29	2,695.62	1,554.47	2,225.77
Financial assets					
(a) Trade receivables	10	1,507.61	1,523.25	2,263.83	545.85
(b) Cash and cash equivalents	11A	818.08	768.59	146.69	234.58
(c) Other bank balances	11B	449.86	449.49	195.07	426.87
(d) Other financial assets	7	36.60	22.33	30.93	28.82
Other current assets	8B	598.29	459.70	238.21	418.26
Total current assets		**7,363.73**	**5,918.98**	**4,429.20**	**3,880.15**
Total assets		**10,002.74**	**7,769.14**	**6,450.31**	**5,934.94**
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	12	29.37	13.67	13.67	13.67
Other equity	13	1,763.85	757.45	362.85	243.39
Total equity		**1,793.22**	**771.12**	**376.52**	**257.06**
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(a) Borrowings	14	871.18	995.63	640.00	651.88
(b) Lease liabilities	3B	348.30	377.19	400.02	417.50
(c) Other financial liabilities	15	123.31	113.10	56.62	-
Provisions	16	69.21	59.61	53.78	49.23
Other non-current liabilities	18	260.83	260.83	17.44	-
Total non-current liabilities		**1,672.83**	**1,806.36**	**1,167.86**	**1,118.61**
Current liabilities					
Financial liabilities					
(a) Borrowings	14	2,210.32	1,936.30	1,697.65	1,961.83
(b) Lease liabilities	3B	58.77	59.71	52.52	48.23
(c) Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	19	29.96	32.06	60.60	22.98
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,477.18	1,892.79	1,839.65	1,025.59
(d) Other financial liabilities	15	68.23	41.33	42.80	165.61
Income tax liabilities (net)	17.3	91.56	60.63	27.13	2.41
Provisions	16	7.95	13.36	12.35	12.44
Other current liabilities	18	1,592.72	1,155.48	1,173.23	1,320.18
Total current liabilities		**6,536.69**	**5,191.66**	**4,905.93**	**4,559.27**
Total liabilities		**8,209.52**	**6,998.02**	**6,073.79**	**5,677.88**
Total equity and liabilities		**10,002.74**	**7,769.14**	**6,450.31**	**5,934.94**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.
As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: January 05, 2023

For and on behalf of the Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

Krishna Bodanapu
Non-Executive Chairman
(DIN - 00605187)

Rajendra Velagapudi
Managing Director
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)
Place: Hyderabad
Date: January 05, 2023

Shrinivas Kulkarni
Chief Financial Officer
Place: Hyderabad
Date: January 05, 2023

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
(CIN No.: U31909TG1993PLC141346)
Annexure II - Restated Summary Statement of Profits and Losses
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Annexure V(b) Note	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME					
Revenue from operations	20	3,402.70	7,205.33	6,280.28	4,570.87
Other income	21	78.08	79.51	88.83	78.25
Total income		**3,480.78**	**7,284.84**	**6,369.11**	**4,649.12**
EXPENSES					
Cost of materials consumed	22	2,594.31	5,552.88	4,778.52	3,881.79
Changes in inventories of finished goods and work-in-progress	23	52.77	(113.26)	174.41	(232.69)
Employee benefits expense	24	239.35	516.52	468.63	440.95
Finance costs	25	144.80	219.75	207.70	181.94
Depreciation and amortisation expense	26	98.93	192.86	184.62	105.79
Other expenses	27	163.92	408.79	399.28	343.50
Total expenses		**3,294.08**	**6,777.54**	**6,213.16**	**4,721.28**
Profit/(loss) before tax		**186.70**	**507.30**	**155.95**	**(72.16)**
Tax expense / (benefit)					
(a) Current tax	17.1 (A)	46.37	96.35	5.03	(0.96)
(b) Deferred tax	17.1 (A)	6.11	13.00	32.78	(4.16)
Total tax expense / (benefit)		**52.48**	**109.35**	**37.81**	**(5.12)**
Profit/(Loss) for the period/ year		**134.22**	**397.95**	**118.14**	**(67.04)**
Other comprehensive income (OCI)					
Items that will not be reclassified subsequently to statement of profit or loss:					
(i) Remeasurement gains/(losses) of net defined benefit liability	29	(0.99)	(4.47)	1.84	(14.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.1 (B)	0.25	1.12	(0.52)	3.59
Total other comprehensive income/(loss) for the period/ year, net of tax		**(0.74)**	**(3.35)**	**1.32**	**(10.67)**
Total comprehensive income/(loss) for the period/ year, net of tax		**133.48**	**394.60**	**119.46**	**(77.71)**
Earnings per equity share (face value of ₹ 10 each)	31				
Basic and diluted (₹)*		4.61	16.17	4.80	(2.72)

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

* EPS for the period ended September 2022 is not annualised. Also, refer note 31 for adjustment made towards bonus issue.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: January 05, 2023

For and on behalf of the Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

Krishna Bodanapu
Non-Executive Chairman
(DIN - 00605187)

Rajendra Velagapudi
Managing Director
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)
Place: Hyderabad
Date: January 05, 2023

Shrinivas Kulkarni
Chief Financial Officer

Place: Hyderabad
Date: January 05, 2023

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
(CIN No.: U31909TG1993PLC141346)
Annexure III - Restated Summary Statement of Cash Flow
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) for the year/ period	**134.22**	**397.95**	**118.14**	**(67.04)**
Adjustments for:				
Tax expense	52.48	109.35	37.81	(5.12)
Depreciation and amortisation expense	98.93	192.86	184.62	105.79
Profit on sale of Property, Plant and Equipment (net)	-	(0.94)	-	-
Net unrealised exchange loss/(gain)	(32.60)	15.45	27.92	14.68
Finance costs	132.59	190.61	188.47	160.47
Interest income	(9.53)	(16.09)	(17.59)	(27.26)
Expected credit loss allowance, net	1.64	(13.15)	8.68	83.68
Operating profit before working capital changes	**377.73**	**876.04**	**548.05**	**265.20**
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	30.84	758.78	(1,722.86)	596.68
Inventories	(1,257.67)	(1,141.15)	671.30	(436.43)
Other assets and other financial assets	(137.19)	(181.92)	154.55	11.13
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	574.85	7.65	820.72	55.65
Provisions, other liabilities and other financial liabilities	470.38	228.01	(123.21)	(332.52)
Cash generated from operations	**58.94**	**547.41**	**348.55**	**159.71**
Income taxes received/(paid), net	(15.44)	(62.04)	0.73	2.57
Net cash flow from operating activities (A)	**43.50**	**485.37**	**349.28**	**162.28**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment and intangible assets	(11.86)	(84.14)	(273.87)	(829.68)
Investment in equity instruments	(892.00)	-	-	(3.19)
Proceeds from sale of property, plant and equipment	-	7.06	-	-
Investment in Deposits	(1,580.87)	(323.00)	(305.00)	(318.55)
Proceeds from maturity/ withdrawal of Deposits	1,580.50	68.58	536.80	255.12
Interest received	1.04	7.36	33.06	12.84
Net cash flow used in investing activities (B)	**(903.19)**	**(324.14)**	**(9.01)**	**(883.46)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non current borrowings	-	-	230.00	700.00
Repayment of non current borrowings	-	-	(15.79)	(37.90)
Proceeds from current borrowings	1,425.02	2,551.91	1,645.17	1,755.74
Repayments of current borrowings	(1,252.25)	(1,961.18)	(2,136.20)	(1,421.06)
Proceeds from rights issue of shares (Note 12)	888.62	-	-	-
Repayment of lease liabilities (including interest)	(49.83)	(56.96)	(59.26)	(91.40)
Interest paid	(102.38)	(73.10)	(92.08)	(182.59)
Net cash flow from/(used in) financing activities (C)	**909.18**	**460.67**	**(428.16)**	**722.79**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**49.49**	**621.90**	**(87.89)**	**1.61**
Cash and cash equivalents at the beginning of the period/ year	768.59	146.69	234.58	232.97
Cash and cash equivalents at the end of the period/ year (refer note (i) below)	**818.08**	**768.59**	**146.69**	**234.58**
Notes :				
(i) Cash and cash equivalents comprises of: (refer note 11A)				
Balances with banks				
in current accounts	765.17	707.29	146.62	220.54
Remittances in transit	52.89	61.29	-	14.01
Cash on hand	0.02	0.01	0.07	0.03
	818.08	**768.59**	**146.69**	**234.58**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: January 05, 2023

For and on behalf of the Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

Krishna Bodanapu
Non-Executive Chairman
(DIN - 00605187)

Rajendra Velagapudi
Managing Director
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)
Place: Hyderabad
Date: January 05, 2023

Shrinivas Kulkarni
Chief Financial Officer

Place: Hyderabad
Date: January 05, 2023

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
(CIN No.: U31909TG1993PLC141346)
Annexure IV - Restated Summary Statement of Changes in Equity
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	Note	No's	Amount
Balance as at April 01, 2019	12	**13,67,000**	**13.67**
Balance as at March 31, 2020	12	**13,67,000**	**13.67**
Balance as at March 31, 2021	12	**13,67,000**	**13.67**
Balance as at March 31, 2022	12	**13,67,000**	**13.67**
Add: Issue of equity shares during the Period	12	15,70,000	15.70
Balance as at September 30, 2022	12	**29,37,000**	**29.37**

During the six month period ended September 30, 2022, the Company has alloted 1,570,000 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 566 per share on September 09, 2022, pursuant to a rights issue. (Refer Note 12,38 for details)

B. Other Equity

Particulars	Note	Reserves and Surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2019		**92.09**	**3.72**	**239.77**	**335.58**
Impact on account of adoption of Ind AS 116, net of tax	13	**-**	**-**	(14.48)	(14.48)
Profit/(Loss) for the year	13	-	-	(67.04)	(67.04)
Other comprehensive Income	13	-	-	(10.67)	(10.67)
Balance as at March 31, 2020		**92.09**	**3.72**	**147.58**	**243.39**
Profit/(Loss) for the year	13	-	-	118.14	118.14
Other comprehensive Income	13	-	-	1.32	1.32
Balance as at March 31, 2021		**92.09**	**3.72**	**267.04**	**362.85**
Profit/(Loss) for the year	13	-	-	397.95	397.95
Other comprehensive Income	13	-	-	(3.35)	(3.35)
Balance as at March 31, 2022		**92.09**	**3.72**	**661.64**	**757.45**
Profit/(Loss) for the period	13	-	-	134.22	134.22
Other comprehensive Income	13	-	-	(0.74)	(0.74)
Right issue of shares	12	872.92	-	-	872.92
Balance as at September 30, 2022		**965.01**	**3.72**	**795.12**	**1,763.85**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
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Shankar Srinivasan
Partner
Membership No.: 213271

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Shrinivas Kulkarni
Chief Financial Officer

Place: Hyderabad
Date: January 05, 2023

1. **Corporate information:**

The Restated Summary Statement comprises financial statements of Cyient DLM Limited (formerly known as 'Cyient DLM Private Limited') (the 'Company') for the six months period ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The registered office of the Company is at Cyient Limited, 3rd floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad, Telangana - 500081.

The Company is principally engaged in providing total electronic manufacturing solutions in the fields of medical, industrial, automotive, telecommunication, defense and aerospace applications and machining of components for aerospace, automotive and defense industries. The Restated Summary Statement was approved for issue in accordance with a resolution of the directors on January 05, 2023.

2. **Significant accounting policies**

2.1 Basis of preparation & presentation:

The Restated Summary Statement of assets and liabilities of the Company as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the related Restated Summary Statement of profits and losses, changes in equity and cash flow for the six months period ended September 30, 2022, each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and accompanying annexures to Restated Summary Statement (hereinafter collectively called "Restated Summary Statement") have been prepared specifically for inclusion in the draft red herring prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed initial public offer of equity shares of Rs. 10 each of the Company (the "Offering"). The Company has prepared the Restated Summary Statement on the basis that it will continue to operate as a going concern. The Restated Summary Statement have been prepared to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act")
b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 and
c) Guidance Note on Reports in Company Prospectuses (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

The Restated Summary Statement has been compiled from:

a) audited interim financial statements of the Company as at and for the six months period ended September 30, 2022 which were prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", 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 (referred to as "Ind AS"), which have been approved by the Board of Directors at their meeting held on January 05, 2023; and

b) audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared in accordance with the Indian Accounting Standards 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 (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on April 20, 2022, May 24, 2021 and July 08, 2020 respectively;

These Restated Summary Statement have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The Restated Summary Statement are presented in INR, and all values are rounded to the nearest millions, except when otherwise indicated.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non - current classification of assets and liabilities.

2.3 Significant accounting judgement, estimates and assumptions:

The preparation of Restated Summary Statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- **Determining the lease term of contracts with renewal and termination options – Company as lessee**
  The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Summary Statement were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company. Refer Note 4 of Restated Summary Statement for details on impairment evaluation of goodwill.

- **Provision for expected credit losses of trade receivables and contract assets**

The Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer note 10 of Restated Summary Statement for details on ECL.

- **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 17 of Restated Summary Statement for details on Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

- **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 29 of Restated Summary Statement for Measurement of defined benefit obligations, key actuarial assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 32 for of Restated Summary Statement for further details.

2.4 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.5 Foreign currency translation

Functional and presentation currency

The Restated Summary Statement are presented in Indian rupees, which is the functional and presentation currency of the Company.

Transactions and balances

In preparing the Restated Summary Statement of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a 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 items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

2.6 Property, plant and equipment

Property, plant and equipment are initially recognized at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates.

The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Type of asset	Useful life of the Company	As per Schedule II of Act
Buildings	Refer Note 1 below	
Plant & Machinery	5-15 Years (refer note 2 below)	15 years
Tools & Equipment	5 Years (refer note 2 below)	10 years
Furniture & Fixtures	10 Years	10 years
Electrical Installations	10 Years	10 Years
Vehicles	10 Years	10 Years
Computers	3 Years	3 Years
Office Equipment	5 Years	5 Years

Notes:

1. Buildings constructed over leasehold land are depreciated over remaining lease term of land or life as specified under Schedule II of the Act, whichever is lower
2. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of Plant & Machinery and Tools & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

On transition to Ind AS (i.e. 1 April 2016), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized over their estimated useful life on a straight-line basis as follows:

Type of asset	Useful life
Computer software	3 years

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in 'other income' of statement of profit and loss when the asset is de-recognized.

On transition to Ind AS (i.e. 1 April 2016), the Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortization methods and useful lives are reviewed periodically at each financial year end.

2.8 Leases

Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment.

ROU asset	Useful lives
Leasehold land	19 years
Buildings	3-10 years

ii) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset 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).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.9 Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.
The current tax and deferred tax calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Summary Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/loss.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. MAT credit is recognized in accordance with tax laws in India as a deferred tax asset only to the extent that is probable that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

In the situations where one or more units in the Company are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.10 Inventories:

Inventories are valued at the lower of cost and net realizable value.

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are valued in accordance with the below method of valuation.

(i) Raw materials & consumables: Valued at cost or net realizable value whichever is less. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

(ii) Stores and spares: Valued at cost. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

(iii) Work in progress & finished Goods: Valued at cost or net realizable value whichever is less. Costs includes direct material costs, wages and applicable overheads.

2.11 Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of taxes, non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 Provisions and contingent liabilities

2.12.1 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as an interest expense. Provisions are not recognized for future operating losses.

Provisions for onerous contracts are recognized when the expected benefits to be desired by the Company from a contract are lower than unavoidable costs of meeting to future obligations under the contract and are measured at the present value of lower than expected net cost of fulfilling the contract and expected cost of terminating the contract.

2.12.2 Contingencies

Contingent liability is disclosed for all possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company (or) present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are not recognized in the Restated Summary Statement but discloses its existence in the Restated Summary Statements unless the probability of outflow of resources is remote. A contingent asset is neither recognized nor disclosed in the Restated Summary Statement.

2.13 Revenue recognition

Revenue from contracts with customers is recognised, on the basis of approved contracts, when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is the principal as it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally upon delivery of the goods. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the fair value of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or 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 a receivable is recognised when it becomes unconditional. Variable consideration includes incentives, volume rebates, discounts etc., which is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Generally, the Company receives advances from few of its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.14 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.15 Government grants/incentives

Government grants are recognized when there is a reasonable assurance that:

a) The Company will comply with the conditions attached to them; and
b) The grant will be received.

Export entitlements from government authorities are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognized net of attributable expenses.

2.16 Employee benefit plans

Employee benefits include provided fund, employee's state insurance scheme, gratuity fund and compensated absences.

Post-employment obligations:

Defined contribution plans:

Contributions in respect of Employees Provident Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an

expense based on the amount of contribution required to be made and when service are rendered by the employees.

Defined benefit plans

Gratuity:

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plant assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Compensated absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

Other short-term employee benefits and performance incentives expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders service.

2.17 Operating Segments

The Company's Chief operating decision maker is the Managing Director and Chief Executive Officer who evaluates Company’s performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The company is engaged in providing total electronic manufacturing solutions single operating segment "Total electronic manufacturing solutions" which is considered as the primary business segment.

2.18 Borrowing 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.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.19 Financial instruments

a) Initial recognition:

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

b) Subsequent Measurement:

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets:

Financial assets carried at amortized cost:
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:
A financial asset is subsequently measured at fair value through other comprehensive income 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 are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

Financial assets at fair value through profit or loss:
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(ii) Financial liability:

All financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Financial Liability subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item

c) <u>Foreign exchange gains and losses:</u>

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

d) <u>De-recognition of financial assets and liabilities:</u>

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

2.20 Determination of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these Restated Summary Statement is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.21 Impairment of assets

Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit and 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 as an impairment gain or loss in statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

Non-financial assets

Intangible assets, Intangible assets under development, property, plant and equipment and ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the 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 recognized for the asset in prior years.

2.22 Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.23 New and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

(i) Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no significant impact on its Restated Summary Statement.

(ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

3A. Property, plant and equipment

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Carrying amount of:				
Buildings	773.62	797.34	838.78	90.23
Computers	24.41	27.77	37.70	21.49
Plant and equipment	329.88	352.67	395.17	354.84
Office equipment	12.74	8.22	10.62	4.47
Furniture and fixtures	59.47	62.37	68.27	60.45
Electrical installations	14.45	15.66	15.13	12.03
Vehicles	0.01	0.01	0.01	0.01
Tools and equipment	37.40	30.79	35.21	28.84
Total	**1,251.98**	**1,294.83**	**1,400.89**	**572.36**

Notes :
Movement in the carrying amount of property, plant and equipment is as below:

Particulars	Buildings	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
I. Gross carrying value									
Balance as at April 01, 2019	17.31	39.20	648.60	18.40	117.60	27.61	0.27	83.89	952.88
Additions	85.28	16.99	83.04	1.64	3.19	3.12	-	17.54	210.80
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**102.59**	**56.19**	**731.64**	**20.04**	**120.79**	**30.73**	**0.27**	**101.43**	**1,163.68**
Additions	792.10	28.98	100.85	8.68	19.21	6.81	-	17.86	974.49
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**894.69**	**85.17**	**832.49**	**28.72**	**140.00**	**37.54**	**0.27**	**119.29**	**2,138.17**
Additions	7.50	8.94	17.03	0.33	5.52	2.90	-	6.47	48.69
Disposals	(0.73)	(2.00)	(4.21)	(0.86)	(1.23)	-	-	(0.08)	(9.11)
Balance as at March 31, 2022	**901.46**	**92.11**	**845.31**	**28.19**	**144.29**	**40.44**	**0.27**	**125.68**	**2,177.75**
Additions	0.89	4.65	5.68	6.22	2.59	0.03	-	12.26	32.32
Disposals	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2022	**902.35**	**96.76**	**850.99**	**34.41**	**146.88**	**40.47**	**0.27**	**137.94**	**2,210.07**
II. Accumulated depreciation									
Balance as at April 01, 2019	9.15	26.26	326.95	13.79	50.41	16.79	0.26	64.47	508.08
Depreciation for the year	3.21	8.44	49.85	1.78	9.93	1.91	-	8.12	83.24
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**12.36**	**34.70**	**376.80**	**15.57**	**60.34**	**18.70**	**0.26**	**72.59**	**591.32**
Depreciation for the year	43.55	12.77	60.52	2.53	11.39	3.71	-	11.49	145.96
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**55.91**	**47.47**	**437.32**	**18.10**	**71.73**	**22.41**	**0.26**	**84.08**	**737.28**
Depreciation for the year	48.67	17.32	55.99	2.46	11.00	2.37	-	10.83	148.64
Disposals	(0.46)	(0.45)	(0.67)	(0.59)	(0.81)	-	-	(0.02)	(3.00)
Balance as at March 31, 2022	**104.12**	**64.34**	**492.64**	**19.97**	**81.92**	**24.78**	**0.26**	**94.89**	**882.92**
Depreciation for the period	24.61	8.01	28.47	1.70	5.49	1.24	-	5.65	75.17
Disposals	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2022	**128.73**	**72.35**	**521.11**	**21.67**	**87.41**	**26.02**	**0.26**	**100.54**	**958.09**
III. Carrying Amounts (I-II)									
Balance as at March 31, 2020	**90.23**	**21.49**	**354.84**	**4.47**	**60.45**	**12.03**	**0.01**	**28.84**	**572.36**
Balance as at March 31, 2021	**838.78**	**37.70**	**395.17**	**10.62**	**68.27**	**15.13**	**0.01**	**35.21**	**1,400.89**
Balance as at March 31, 2022	**797.34**	**27.77**	**352.67**	**8.22**	**62.37**	**15.66**	**0.01**	**30.79**	**1,294.84**
Balance as at September 30, 2022	**773.62**	**24.41**	**329.88**	**12.74**	**59.47**	**14.45**	**0.01**	**37.40**	**1,251.98**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

3B. Leases

(a) Right of use assets:

Particulars	Leasehold land	Buildings	Total
Balance as at April 01, 2019	**428.21**	**65.42**	**493.63**
Additions	-	-	-
Deletions	-	-	-
Depreciation (refer note 26)	-	(18.42)	(18.42)
Depreciation transferred to CWIP	(22.52)	-	(22.52)
Balance as at March 31, 2020	**405.69**	**47.00**	**452.69**
Additions	-	20.27	20.27
Deletions	-	(12.87)	(12.87)
Depreciation (refer note 26)	(16.98)	(17.37)	(34.35)
Depreciation transferred to CWIP	(5.63)	-	(5.63)
Balance as at March 31, 2021	**383.08**	**37.03**	**420.11**
Additions	-	-	-
Deletions	-	-	-
Depreciation (refer note 26)	(22.21)	(15.04)	(37.25)
Balance as at March 31, 2022	**360.87**	**21.99**	**382.86**
Additions	-	-	-
Deletions	-	-	-
Depreciation (refer note 26)	(11.26)	(7.53)	(18.79)
Balance as at September 30, 2022	**349.61**	**14.46**	**364.07**

b) Current and non-current lease liabilities:

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	58.77	59.71	52.52	48.23
Non-current lease liabilities	348.30	377.19	400.02	417.50
Total	**407.07**	**436.90**	**452.54**	**465.73**

The following is the movement in lease liabilities during the period/ year ended:

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**436.90**	**452.54**	**465.73**	**513.19**
Additions	-	-	20.27	-
Deletions	-	-	(17.85)	-
Finance cost accrued during the year (refer note 25)	20.00	41.32	34.56	7.67
Finance cost transferred to CWIP	-	-	9.09	36.27
Payment of lease liabilities	(49.83)	(56.96)	(59.26)	(91.40)
Balance at the end of the year	**407.07**	**436.90**	**452.54**	**465.73**

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Less than one year	58.36	62.11	56.85	54.27
One to five years	174.30	177.50	196.19	212.04
More than five years	561.29	604.18	647.61	691.04
Total	**793.95**	**843.79**	**900.65**	**957.35**

The Company does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

3C. Capital work-in-progress ageing schedule

As at September 30, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	0.92	-	-	-	0.92
Total	**0.92**	**-**	**-**	**-**	**0.92**

As at March 31, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	20.52	7.67	5.72	-	33.91
Total	**20.52**	**7.67**	**5.72**	**-**	**33.91**

As at March 31, 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	8.96	14.20	-	-	23.16
Total	**8.96**	**14.20**	**-**	**-**	**23.16**

As at March 31, 2020

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	774.00	-	-	-	774.00
Total	**774.00**	**-**	**-**	**-**	**774.00**

Note 1: The amount of borrowing costs capitalised during the period / year ended September 30, 2022 is ₹ Nil, March 31, 2022 is ₹ Nil, March 31, 2021 is ₹ 9.09 and March 31, 2020 is ₹ 36.27. The rate used to determine the amount of borrowing costs eligible for capitalisation was 10% p.a., which is the effective interest rate of the specific borrowing.

Note 2: Projects in progress are not overdue and not exceeded the cost

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Note : 4 & 5 Goodwill & Other Intangible Assets

Particulars	Goodwill (note a)	Other Intangible Assets (note b)	Total
I. Gross Carrying Amount			
Balance as at April 01, 2019	**30.30**	**85.83**	**116.13**
Additions	-	3.09	**3.09**
Balance as at March 31, 2020	**30.30**	**88.92**	**119.22**
Additions	-	2.67	**2.67**
Balance as at March 31, 2021	**30.30**	**91.59**	**121.89**
Additions	-	16.15	**16.15**
Balance as at March 31, 2022	**30.30**	**107.74**	**138.04**
Additions	-	10.68	10.68
Balance as at September 30, 2022	**30.30**	**118.42**	**148.72**
II. Accumulated amortisation			
Balance as at April 01, 2019	-	**78.21**	**78.21**
Additions	-	4.13	4.13
Balance as at March 31, 2020	-	**82.34**	**82.34**
Additions	-	4.31	4.31
Balance as at March 31, 2021	-	**86.65**	**86.65**
Additions	-	6.97	6.97
Balance as at March 31, 2022	-	**93.62**	**93.62**
Additions	-	4.97	4.97
Balance as at September 30, 2022	-	**98.59**	**98.59**
III. Net Carrying amounts (I-II)			
As at March 31, 2020	**30.30**	**6.58**	**36.88**
As at March 31, 2021	**30.30**	**4.94**	**35.24**
As at March 31, 2022	**30.30**	**14.12**	**44.42**
As at September 30, 2022	**30.30**	**19.83**	**50.13**

a. Represents Goodwill acquired on acquisition of Techno Tools, which is tested for impairment on an annual basis. The estimated value-in-use is based on future cash flows (discounted @ 14% (post tax)) for a forecast period of 5 years and a nil terminal growth rate. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of Goodwill would decrease below its carrying amount.

b. Other intangible assets represent computer software.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

6. Investments

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Investments carried at fair value through other comprehensive income (unquoted), Fully paid up				
Equity instruments of other entities (unquoted)	895.22	3.22	3.22	3.22
Total	**895.22**	**3.22**	**3.22**	**3.22**

Note (a): Details of investments

Particulars	As at September 30, 2022		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Equity instruments of other entities (unquoted)				
Mysore ESDM Cluster	31,93,237	3.22	31,93,237	3.22
Innovation Communications Systems Private Limited	23,42,869	892.00	-	-

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity instruments of other entities (unquoted)				
Mysore ESDM Cluster	31,93,237	3.22	31,93,237	3.22

Note (b): Carrying value of investments:

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Aggregate amount of Investments carried at fair value through other comprehensive income	895.22	3.22	3.22	3.22

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

7. Other financial assets

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Non-current				
(at amortised cost)				
Unsecured, considered good				
Security deposits	33.80	38.80	46.20	55.88
Total	**33.80**	**38.80**	**46.20**	**55.88**
Current				
(at amortised cost)				
Unsecured, considered good				
Security deposits	5.00	-	-	-
Interest accrued on deposit accounts	29.68	21.19	12.46	27.93
Advance to employees	1.92	1.14	1.21	0.89
Others	-	-	17.26	-
Total	**36.60**	**22.33**	**30.93**	**28.82**
Total other financial assets	**70.40**	**61.13**	**77.13**	**84.70**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

8. Other assets

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
8A: Non-current :				
Capital advances	4.16	5.35	17.99	89.24
Deferred contract costs	-	-	14.53	-
Prepaid expenses	0.58	2.76	3.07	-
Total	**4.74**	**8.11**	**35.59**	**89.24**
8B: Current :				
Prepaid expenses	41.60	20.76	29.33	11.05
Advance to suppliers	284.16	277.87	131.93	285.60
Balances with government authorities	263.72	134.65	21.37	46.98
Deferred contract costs	2.06	14.53	24.91	58.58
Other current assets	6.75	11.89	30.67	16.05
Total	**598.29**	**459.70**	**238.21**	**418.26**
Total other assets	**603.03**	**467.81**	**273.80**	**507.50**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

9. Inventories (Valued at lower of cost or net realisable value)

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Raw materials	3,539.27	2,219.90	1,190.73	1,686.58
Work-in-progress	207.35	291.94	106.97	140.32
Finished goods	185.81	153.99	225.70	366.76
Consumables and stores	20.86	29.79	31.07	32.11
Total	**3,953.29**	**2,695.62**	**1,554.47**	**2,225.77**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

10. Trade receivables (at amortised cost)

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Trade receivables				
Unsecured, considered good*	1,580.97	1,599.78	2348.57	623.78
Less: Allowance for expected credit loss	(73.36)	(76.53)	(84.74)	(77.93)
	1,507.61	**1,523.25**	**2,263.83**	**545.85**
Trade receivables - credit impaired - unsecured	45.71	47.47	52.41	50.54
Less: Allowance for credit impairment	(45.71)	(47.47)	(52.41)	(50.54)
Total	**1,507.61**	**1,523.25**	**2,263.83**	**545.85**

* includes amount receivable from related parties (refer note 30)

Note:

Expected Credit Loss (ECL):

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The average credit period is between 60-90 days. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits for each customer. Limits and scoring attributed to customers are reviewed once a year.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss.

Ageing for receivables	As at September 30, 2022						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,159.86	347.12	38.25	15.79	6.13	13.82	1,580.97
Disputed Trade Receivables							
Credit impaired	-	-	-	-	-	45.71	45.71
Total	**1,159.86**	**347.12**	**38.25**	**15.79**	**6.13**	**59.53**	**1,626.68**
Less : Allowance for credit impairment and expected credit loss							(119.07)
Balance at the end of the period							**1,507.61**

Ageing for receivables	As at March 31, 2022						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,273.92	191.07	72.21	22.76	3.57	36.25	1,599.78
Disputed Trade Receivables							
Credit impaired	-	-	-	-	11.38	36.09	47.47
Total	**1,273.92**	**191.07**	**72.21**	**22.76**	**14.95**	**72.34**	**1,647.25**
Less : Allowance for credit impairment and expected credit loss							(124.00)
Balance at the end of the year							**1,523.25**

Ageing for receivables	As at March 31, 2021						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,531.33	729.40	31.17	12.80	16.68	27.19	2,348.57
Disputed Trade Receivables							
Credit impaired	-	-	-	11.49	2.11	38.81	52.41
Total	**1,531.33**	**729.40**	**31.17**	**24.29**	**18.79**	**66.00**	**2,400.98**
Less : Allowance for credit impairment and expected credit loss							(137.15)
Balance at the end of the year							**2,263.83**

Ageing for receivables	As at March 31, 2020						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	312.81	184.65	54.90	22.08	49.34	-	623.78
Disputed Trade Receivables							
Credit impaired	-	-	11.38	2.59	-	36.57	50.54
Total	**312.81**	**184.65**	**66.28**	**24.67**	**49.34**	**36.57**	**674.32**
Less : Allowance for credit impairment and expected credit loss							(128.47)
Balance at the end of the year							**545.85**

Movement in the expected credit loss allowance	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Balance at the beginning of the period/ year	124.00	137.15	128.47	44.79
Provision made during the year (refer note 27)	18.00	20.67	22.40	85.04
Reversal of provision on account of collection (refer note 27)	(22.93)	(33.82)	(13.72)	(1.36)
Balance at the end of the period/ year	**119.07**	**124.00**	**137.15**	**128.47**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

Annexure V(b) : Notes to Restated Summary Statement

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

11: Cash and Bank Balances

11A. Cash and cash equivalents

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Balances with banks				
in current accounts	765.17	707.29	146.62	220.54
Cash on hand	0.02	0.01	0.07	0.03
Remittances in transit	52.89	61.29	-	14.01
Total	**818.08**	**768.59**	**146.69**	**234.58**

11B. Other bank balances

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Deposits held as margin money/security for bank guarantees	449.86	449.49	195.07	426.87
Total	**449.86**	**449.49**	**195.07**	**426.87**

Note :

Reconciliation of liabilities arising from financing activities:

For the six months period ended September 30, 2022:

Particulars	As at March 31, 2022	Additions	Proceeds	Repayment	Foreign exchange	As at September 30, 2022
Non-current borrowings (including current portion)	995.63	-	-	-	-	995.63
Current borrowings (net)	1,936.30	-	1,425.02	(1,252.25)	(23.20)	2,085.87
Lease liabilities	436.90	20.00	-	(49.83)	-	407.07
Total liabilities from financing activities	**3,368.83**	**20.00**	**1,425.02**	**(1,302.08)**	**(23.20)**	**3,488.57**

For the year end March 31, 2022:

Particulars	As at March 31, 2021	Additions	Proceeds	Repayment	Foreign exchange	As at March 31, 2022
Non-current borrowings (including current portion)	995.63	-	-	-	-	995.63
Current borrowings (net)	1,342.02	-	2,551.91	(1,961.18)	3.55	1,936.30
Lease liabilities	452.54	41.32	-	(56.96)	-	436.90
Total liabilities from financing activities	**2,790.19**	**41.32**	**2,551.91**	**(2,018.14)**	**3.55**	**3,368.83**

For the year end March 31, 2021:

Particulars	As at March 31, 2020	Additions	Proceeds	Repayment	Foreign exchange	As at March 31, 2021
Non-current borrowings (including current portion)	781.42	-	230.00	(15.79)	-	995.63
Current borrowings (net)	1,832.29	-	1,645.17	(2,136.20)	0.76	1,342.02
Lease liabilities	465.73	46.07	-	(59.26)	-	452.54
Total liabilities from financing activities	**3,079.44**	**46.07**	**1,875.17**	**(2,211.25)**	**0.76**	**2,790.19**

For the year end March 31, 2020:

Particulars	As at March 31, 2019	Additions/Impact on account of adoption of Ind AS 116	Proceeds	Repayment	Foreign exchange	As at March 31, 2020
Non-current borrowings (including current portion)	119.32	-	700.00	(37.90)	-	781.42
Current borrowings (net)	1,484.21	-	1,760.12	(1,425.44)	13.40	1,832.29
Lease liabilities	-	557.13	-	(91.40)	-	465.73
Total liabilities from financing activities	**1,603.53**	**557.13**	**2,460.12**	**(1,554.74)**	**13.40**	**3,079.44**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

12. Equity share capital

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Authorised share capital: 10,000,000 (March 31, 2022 : 4,750,000 March 31, 2021 : 4,750,000, March 31, 2020 : 4,750,000) equity shares of ₹ 10 each	100.00	47.50	47.50	47.50
Issued and subscribed capital: 2,937,000 (March 31, 2022: 1,367,000, March 31, 2021: 1,367,000, March 31, 2020: 1,367,000) fully paid up equity shares of ₹ 10 each	29.37	13.67	13.67	13.67
Total	**29.37**	**13.67**	**13.67**	**13.67**

i. During the six month period ended September 30, 2022, the Company has alloted 1,570,000 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 566 per share on September 09, 2022, pursuant to rights issue. Consequent to the aforesaid allotment, the paid-up share capital of the Company has increased to 2,937,000 equity shares of face value of ₹ 10/- each fully paid- up. Further, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares during the six month period ended September 30, 2022.

ii. Subsequent to period ended September 30, 2022, the Board has approved the issue of bonus shares (refer note 38)

Note:

(A) Reconciliation of Equity shares outstanding at the beginning and at the end of the period/ year:

Particulars	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of shares held	Amount	Number of shares held	Amount	Number of shares held	Amount	Number of shares held	Amount
Balance as at beginning of the period/ year	13,67,000	13.67	13,67,000	13.67	13,67,000	13.67	13,67,000	13.67
Issued during the period/ year	15,70,000	15.70	-	-	-	-	-	-
Balance as at end of the period / year	**29,37,000**	**29.37**	**13,67,000**	**13.67**	**13,67,000**	**13.67**	**13,67,000**	**13.67**

(B) Details of shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Fully paid up equity shares								
Cyient Limited (Holding company)	29,37,000	100	13,67,000	100	13,67,000	100	13,67,000	100

As per records of the Company, including its register of shareholders and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(C) Details of Shares held by promoters at the end of the period/ year

Name of the promoter	Number of shares			% of Holding of equity shares	% Change during the Year
	March 31, 2022	Change	September 30, 2022		
Cyient Limited (Holding company)	13,67,000	15,70,000	29,37,000	100.00%	115%

Name of the promoter	Number of shares			% of Holding of equity shares	% Change during the Year
	March 31, 2021	Change	March 31, 2022		
Cyient Limited (Holding company)	13,67,000	-	13,67,000	100.00%	0%

Name of the promoter	Number of shares			% of Holding of equity shares	% Change during the Year
	March 31, 2020	Change	March 31, 2021		
Cyient Limited (Holding company)	13,67,000	-	13,67,000	100.00%	0%

Name of the promoter	Number of shares			% of Holding of equity shares	% Change during the Year
	March 31, 2019	Change	March 31, 2020		
Cyient Limited (Holding company)	13,67,000	-	13,67,000	100.00%	0%

(D) Rights, preferences and restrictions attached to equity shares:
The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

13. Other equity

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
(a) General reserve	**3.72**	**3.72**	**3.72**	**3.72**
(b) Securities premium account				
(i) As at the beginning of the period/ year	92.09	92.09	92.09	92.09
(ii) Premium on right issue of shares	872.92	-	-	-
(iii) As at end of the period/ year	**965.01**	**92.09**	**92.09**	**92.09**
(c) Retained earnings				
(i) As at the beginning of the year/period	661.64	267.04	147.58	239.77
(ii) Impact on account of adoption of Ind AS 116, net of tax	-	-	-	(14.48)
(iii) Profit for the period/ year	134.22	397.95	118.14	(67.04)
(iv) Other comprehensive Income	(0.74)	(3.35)	1.32	(10.67)
(v) As at end of the period/ year	**795.12**	**661.64**	**267.04**	**147.58**
Total	**1,763.85**	**757.45**	**362.85**	**243.39**

Notes :

a) General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

b) Securities premium reserve:

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Retained earnings

(i) Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit.

(ii) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are presented within retained earnings.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

14. Borrowings - at amortised cost

Particulars	As at			
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Non-current				
Unsecured				
Term loan from related party (refer note 30)*	871.18	995.63	640.00	651.88
Total	**871.18**	**995.63**	**640.00**	**651.88**
Current				
Unsecured				
Term Loan from realted party - Current maturities of non-current borrowings	124.45	-	355.63	129.54
Working capital loan from related party (refer note 30)	540.00	540.00	315.00	315.00
Secured				
Working capital loans from banks	1,545.87	1,396.30	1,027.02	1,517.29
Total	**2,210.32**	**1,936.30**	**1,697.65**	**1,961.83**
Total borrowings	**3,081.50**	**2,931.93**	**2,337.65**	**2,613.71**

Details of the borrowings along with their terms and conditions:

a. Term loan from related party:
The Company has obtained term loan of ₹ 1,000.00 from Cyient Limited for capital expenditure purpose, which is availed in various tranches starting from February 2019 repayable in 16 quarterly installments starting from the June 2023 for each tranche. Outstanding balance of the term loan as at September 30, 2022 was ₹ 995.63, March 31, 2022 was ₹ 995.63, March 31, 2021: ₹ 995.63, March 31, 2020: ₹ 781.42 (ROI - 6.00% p.a.). There is no default in the repayment of principal loan and interest amount.

b. Working capital loan from related party:
The Company has availed working capital loan repayable on demand from Cyient Limited whose outstanding balance as at Sep 30, 2022 is ₹ 540.00 (ROI - 6.00% p.a.), Mar 31, 2022 is ₹ 540.00 (ROI - 6.00% p.a.), March 31, 2021: ₹ 315.00 (ROI - 6.00% p.a.), March 31, 2020: ₹ 315.00 (ROI - 8.30% p.a.). This loan is repayable on demand.

c. Working capital loans from banks:
i. The Company has availed working capital loans (repayable on demand) from various banks:

	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
HDFC Bank				
Loan outstanding	330.00	449.41	580.45	152.01
Range of interest	6.9% to 7.27%	6.00% to 8.15%	6.00% to 8.15%	7.65%
State Bank of India				
Loan outstanding	244.52	200.00	56.57	513.29
Range of interest	7.20% to 7.60%	6.8%	7.00% to 9.60%	7.40%
Federal Bank				
Loan outstanding	525.00	557.29	22.64	161.26
Range of interest	6.90% to 7.40%	6.00% to 7.00%	5.00% to 7.70%	7.40%
Axis Bank				
Loan outstanding	251.02	-	-	-
Range of interest	5.80% to 6.88%	-	-	-

Ii. The Company has availed Packing credit facility from various banks:

	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
HDFC Bank				
Loan outstanding	195.33	189.60	367.36	551.68
Range of interest	4.15%-4.6%	1.6-1.9%	1.4% -1.50%	2.2% to 3.16
Federal Bank				
Loan outstanding	-	-	-	139.05
Range of interest	-	-	-	3.26%

Security terms for working capital loans from banks:
i. First pari-passu charge on present and future current assets including stock and book debts of the Company.
ii. Second pari-passu charge on all existing and future movable fixed assets of the Company.
iii. Corporate guarantee from Cyient Limited.
iv. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

Annexure V(b) : Notes to Restated Summary Statement

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

15. Other financial liabilities (at Amortised cost)

Particulars	As at			
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Non-Current				
Interest accrued but not due on borrowings*	123.31	113.10	56.62	-
Total	**123.31**	**113.10**	**56.62**	**-**
Current				
Capital creditors	3.95	6.99	28.17	156.19
Interest accrued but not due on borrowings*	64.28	34.34	14.63	9.42
Total	**68.23**	**41.33**	**42.80**	**165.61**

* includes amount payable to related parties (refer note 30)

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

16. Provisions

Particulars	As at			
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Gratuity (refer note 29)	61.20	50.92	41.02	38.71
Compensated absences (refer note 29)	15.96	22.05	25.11	22.96
Total provisions	**77.16**	**72.97**	**66.13**	**61.67**
Non-current:				
Gratuity	55.35	40.28	31.39	29.52
Compensated absences	13.86	19.33	22.39	19.71
Total	**69.21**	**59.61**	**53.78**	**49.23**
Current:				
Gratuity	5.85	10.64	9.63	9.19
Compensated absences	2.10	2.72	2.72	3.25
Total	**7.95**	**13.36**	**12.35**	**12.44**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

17. Income taxes
17.1 Tax Expense
A. Income tax expense/(benefit) recognised in the statement of profit and loss

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax				
In respect of current year	46.37	96.35	27.13	-
In respect of prior year	-	-	-	(0.96)
Minimum Alternate Tax (MAT) credit availed/created	-	-	(22.10)	-
	46.37	**96.35**	**5.03**	**(0.96)**
Deferred tax expense/(benefit):				
In respect of the current year	6.11	(11.51)	32.78	(4.16)
In respect of prior year	-	24.51	-	-
	6.11	**13.00**	**32.78**	**(4.16)**
Total	**52.48**	**109.35**	**37.81**	**(5.12)**

Note: Presently, the Company has opted for the application of lower tax rate of 22% (excluding surcharge and cess thereon) under the provisions of section 115BAA of Income Tax Act, 1961.

B. Income tax benefit recognised in other comprehensive income

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax benefit recognised directly in equity consists of:				
Tax effect on remeasurements of the net defined benefit liability	0.25	1.12	(0.52)	3.59
Total	**0.25**	**1.12**	**(0.52)**	**3.59**
Bifurcation of the income tax recognised in other comprehensive income into:				
Items that will not be reclassified to profit or loss	0.25	1.12	(0.52)	3.59
Items that may be reclassified to profit or loss	-	-	-	-

C. Reconciliation of effective tax rate
The following is the reconciliation of the company's effective tax rate:

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**186.70**	**507.30**	**155.95**	**(72.16)**
Enacted rate in India	25.17%	25.17%	31.20%	31.20%
Computed expected tax expense	**46.99**	**127.69**	**48.66**	**(22.51)**
Tax effect of adjustments to reconcile expected tax expense:				
Deferred tax asset not recognised earlier/ (deferred tax liability reversing) during tax holiday period	-	(14.58)	(10.22)	(7.07)
Reversal of deferred tax asset recognised on tax losses and other timing difference	-	-	6.43	11.13
Others	5.49	(3.76)	(7.06)	13.33
Income tax expense	**52.48**	**109.35**	**37.81**	**(5.12)**

17.2. Deferred tax assets and liabilities
A. The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Deferred tax assets				
Provision for doubtful debts	29.97	31.21	34.52	32.36
Section 43B disallowances	20.43	22.80	20.03	20.02
Carry forward of tax losses	-	-	-	22.46
MAT Credit Entitlement	-	-	24.51	2.41
Right of use assets/lease liabilities (refer note 3B)	10.82	13.60	(4.15)	10.36
Total (A)	**61.22**	**67.61**	**74.91**	**87.61**
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(28.10)	(28.63)	(24.05)	(25.63)
Total (B)	**(28.10)**	**(28.63)**	**(24.05)**	**(25.63)**
Deferred tax asset, net (A+B)	**33.12**	**38.98**	**50.86**	**61.98**

Deferred tax assets have been recognised considering the utilisation plan against future taxable profits which are supported by existing and future sale orders.

B. Movement in deferred tax assets and liabilities

Particulars	Carry forward of tax losses	Property, plant and equipment and Intangible assets	Provision for employee benefits	Right of use assets/lease liabilities (refer	Provision for doubtful debts	MAT credit entitlement	Total
Balance as at April 1, 2019	**40.43**	**(18.93)**	**10.31**	**-**	**13.97**	**3.37**	**49.15**
Recognised in P&L during the year	(17.97)	(6.70)	6.12	5.28	18.39	(0.96)	4.16
Recognised in general reserves on adoption of Ind AS 116	-	-	-	5.08	-	-	5.08
Recognised in OCI during the year	-	-	3.59	-	-	-	3.59
Balance as at March 31, 2020	**22.46**	**(25.63)**	**20.02**	**10.36**	**32.36**	**2.41**	**61.98**
Recognised in P&L during the year	(22.46)	1.58	0.53	(14.51)	2.16	22.10	(10.60)
Recognised in OCI during the year	-	-	(0.52)	-	-	-	(0.52)
Balance as at March 31, 2021	**-**	**(24.05)**	**20.03**	**(4.15)**	**34.52**	**24.51**	**50.86**
Recognised in P&L during the year	-	(4.58)	1.65	17.75	(3.31)	(24.51)	(13.00)
Recognised in OCI during the year	-	-	1.12	-	-	-	1.12
Balance as at March 31, 2022	**-**	**(28.63)**	**22.80**	**13.60**	**31.21**	**-**	**38.98**
Recognised in P&L during the period	-	0.53	(2.62)	(2.78)	(1.24)	-	(6.11)
Recognised in OCI during the period	-	-	0.25	-	-	-	0.25
Balance as at September 30, 2022	**-**	**(28.10)**	**20.43**	**10.82**	**29.97**	**-**	**33.12**

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Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

17.3. Income tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the Company balance sheet:	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Income tax assets, net				
Advances income taxes	5.03	5.03	5.84	8.54
Income tax liabilities, net				
Income tax payable	91.56	60.63	27.13	2.41

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

18. Other liabilities

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Non-Current				
Advance from customers	260.83	260.83	17.44	-
Total	**260.83**	**260.83**	**17.44**	**-**
Current				
Advance from customers	1,387.42	1,134.83	1,139.02	1,282.78
Unearned revenue	191.00	-	-	-
	7.88	7.57	5.27	8.46
Other current liabilities	6.42	13.08	28.94	28.94
Total	**1,592.72**	**1,155.48**	**1,173.23**	**1,320.18**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

19. Trade Payables

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
(at amortised cost)				
(i) total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 34)	29.96	32.06	60.60	22.98
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	2,477.18	1,892.79	1839.65	1025.59
Total	**2,507.14**	**1,924.85**	**1,900.25**	**1,048.57**

* includes amount payable to related parties (refer note 30)
Trade payables are non-interest bearing and are normally settled on 60-day terms

Ageing for trade payable	As at September 30, 2022						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Dues to MSME	-	17.57	12.39	-	-	-	29.96
Dues to other than MSME	929.38	824.87	722.93	-	-	-	2,477.18
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
Balance at the end of the period	**929.38**	**842.44**	**735.32**	**-**	**-**	**-**	**2,507.14**

Ageing for trade payable	As at March 31, 2022						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Dues to MSME	-	32.06	-	-	-	-	32.06
Dues to other than MSME	716.40	672.58	503.81	-	-	-	1,892.79
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
Balance at the end of the year	**716.40**	**704.64**	**503.81**	**-**	**-**	**-**	**1,924.85**

Ageing for trade payable	As at March 31, 2021						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Dues to MSME	-	39.63	20.97	-	-	-	60.60
Dues to other than MSME	546.34	707.09	586.22	-	-	-	1,839.65
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
Balance at the end of the year	**546.34**	**746.72**	**607.19**	**-**	**-**	**-**	**1,900.25**

Ageing for trade payable	As at March 31, 2020						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Dues to MSME	-	14.10	8.87	-	-	-	22.98
Dues to other than MSME	274.10	57.95	693.54	-	-	-	1,025.59
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
Balance at the end of the year	**274.10**	**72.06**	**702.41**	**-**	**-**	**-**	**1,048.57**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

20. Revenue from contract with customers

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of goods	3,374.87	7,155.57	6,239.96	4,550.27
Rendering of services	27.83	49.76	40.32	20.60
Total	**3,402.70**	**7,205.33**	**6,280.28**	**4,570.87**

The Company presents revenues net of indirect taxes in the statement of profit and loss.

1.Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected.

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Type of goods or service				
Sale of printed circuit boards and related products	3,374.87	7,155.57	6,239.96	4,550.27
Job work charges	27.83	49.76	40.32	20.60
Total	**3,402.70**	**7,205.33**	**6,280.28**	**4,570.87**
Based on geographical location of customers				
Within India	1,313.86	3,964.10	3,985.09	2,085.94
Outside India	2,088.84	3,241.23	2,295.19	2,484.93
Total	**3,402.70**	**7,205.33**	**6,280.28**	**4,570.87**
Timing of revenue recognition				
Goods transferred at a point in time	3,374.87	7,155.57	6,239.96	4,550.27
Services transferred over time	27.83	49.76	40.32	20.60
Total	**3,402.70**	**7,205.33**	**6,280.28**	**4,570.87**

2. Trade receivables and contract balances

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade receivables	1,507.61	1,523.25	2,263.83	545.85
Unearned revenue (Contract liabilities)	191.00	-	-	-
Advance from customers (Contract liabilities)	1,648.25	1,395.66	1,156.46	1,282.78

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A trade receivable is a right to consideration that is unconditional upon passage of time. Refer note 10 in Annexure V for details on expected credit loss.

Contract Liabilities

Advance from customers represents the amounts received from customers, which are adjusted against the future supplies against each customer order upon delivery. Unearned revenues represents invoicing in excess of revenue.

Amount of revenue recognised from:

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Unearned revenue (Contract liabilities)	-	-	-	-
Advance from customers (Contract liabilities)	91.14	675.54	958.61	998.90

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have orginal expected duration of one year or less.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

21. Other income

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets carried at amortised cost				
Bank deposits	9.53	16.09	17.59	27.26
	9.53	**16.09**	**17.59**	**27.26**
Other non-operating income				
Export incentives (refer note (i) below)	-	45.28	46.88	31.01
Reversal of expected credit loss allowance (net) (refer note 10)	-	13.15	-	-
Bad debts recovered	-	3.49	-	-
Liabilities no longer required, written back	-	-	14.55	-
Profit on sale of property, plant and equipment	-	0.94	-	-
Foreign exchange gain (net)	66.04	0.23	-	-
Miscellaneous income	2.51	0.33	9.81	19.98
	68.55	**63.42**	**71.24**	**50.99**
Total	**78.08**	**79.51**	**88.83**	**78.25**

Note:

(i) Recognised upon satisfying the specified conditions under the applicable scheme defined by the Government of India.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

22. Cost of materials consumed

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	2,219.90	1,190.73	1,686.58	1,502.92
Add: Purchases	3,913.68	6,582.05	4,282.67	4,065.45
Less: Closing stock	(3,539.27)	(2,219.90)	(1,190.73)	(1,686.58)
Cost of materials consumed	**2,594.31**	**5,552.88**	**4,778.52**	**3,881.79**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

23. Changes in inventories of finished goods and work-in-progress

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock:				
Finished goods	153.99	225.70	366.76	252.14
Work-in-progress	291.94	106.97	140.32	22.25
	445.93	**332.67**	**507.08**	**274.39**
Closing Stock:				
Finished goods	185.81	153.99	225.70	366.76
Work-in-progress	207.35	291.94	106.97	140.32
	393.16	**445.93**	**332.67**	**507.08**
Net (Increase) / Decrease	**52.77**	**(113.26)**	**174.41**	**(232.69)**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

24. Employee benefits expense

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	201.80	477.28	414.83	392.04
Contribution to provident and other funds (refer note 29)	18.88	5.99	25.96	23.51
Share based expenses from Holding Company (Refer Note 36)	3.21	0.78	-	-
Staff welfare expenses	15.46	32.47	27.84	25.40
Total	**239.35**	**516.52**	**468.63**	**440.95**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

25. Finance costs

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense				
Interest on borrowings from banks	54.19	67.65	76.57	91.29
Interest on borrowings from related parties (refer note 30)	46.19	81.64	77.34	61.51
Interest on others	12.21	-	-	-
Interest on lease liabilities (refer note 3B)	20.00	41.32	34.56	7.67
Other borrowing costs	12.21	29.14	19.23	21.47
Total	**144.80**	**219.75**	**207.70**	**181.94**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

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Annexure V(b) : Notes to Restated Summary Statement

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

26. Depreciation and amortisation expense

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3A)	75.17	148.64	145.96	83.24
Depreciation of right-of-use assets (refer note 3B)	18.79	37.25	34.35	18.42
Amortisation of intangible assets (refer note 5)	4.97	6.97	4.31	4.13
Total	**98.93**	**192.86**	**184.62**	**105.79**

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

27. Other expenses

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	3.73	5.32	0.72	0.80
Insurance	13.39	17.18	17.42	8.59
Stores and spares consumed	25.60	29.05	19.44	20.76
Freight outwards	22.55	133.14	101.05	64.81
Travelling and conveyance	1.54	3.77	2.82	11.29
Communication	2.10	2.31	1.44	3.16
Printing and stationery	0.74	1.10	1.01	0.49
Power and fuel	18.46	33.48	30.29	26.23
Marketing expenses	7.89	68.98	62.78	38.64
Repairs and maintenance				
- Machinery	21.02	28.22	18.44	7.70
- Others	0.50	3.69	8.95	13.91
Legal and professional charges	10.13	29.76	27.75	12.09
Expenditure for Corporate Social Responsibility	2.30	1.30	-	-
Foreign exchange loss (net)	-	-	61.71	24.95
Expected credit loss allowance (net) (refer note 10)**	1.64	-	8.68	83.68
Auditors' remuneration*				
-For statutory audit	0.78	1.55	1.40	1.40
-For reimbursement of expenses	0.04	0.01	0.03	0.05
Training and development	1.37	2.88	1.14	1.80
Miscellaneous expenses	30.14	47.05	34.21	23.15
Total	**163.92**	**408.79**	**399.28**	**343.50**

* Exclusive of applicable taxes

** included Bad debts written off during the period ended September 2022 ₹ 6.57 Mn

Notes:

i. Expenditure for Corporate Social Responsibility:

The Company contributes towards Corporate Social Responsibility (CSR) activities through Cyient Foundation and Cyient Urban Micro Skill Centre Foundation. The Company has formed CSR committee as per Section 135 of the Companies Act, 2013 to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law. The areas for CSR activities are promoting education, adoption of schools, facilitating skill development, medical and other social projects. Expenses incurred on CSR activities through Cyient Foundation and contributions towards other charitable institutions are charged to the statement of profit and loss under 'Other Expenses': April 2022 to September 2022 - ₹ 2.30, April 2021 to March 2022 - ₹ 1.30 , April 2020 to March 2021 - ₹ Nil, April 2019 to March 2020 - ₹ Nil .

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company	2.30	1.29	-	-
Amount approved by the board to be spent during the period	2.30	1.29	-	-
Actual amount spent				
1. Construction / acquisition of any asset	-	-	-	-
2. On purposes other than (1) above (in cash)	-	1.30	-	-
Shortfall/ (excess)*	**2.30**	**(0.01)**	**-**	**-**

*Company has made a provision for CSR during the six months period ended September 30, 2022, planned to contribute by year ended March 31, 2023.

Heads of CSR Expenditure:

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Promotion of education	-	1.30	-	-

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

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(All amounts in ₹ millions, except share and per share data and where otherwise stated)

28. Contingent liabilities and Commitments

	As at			
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
(A) Contingent liabilities:				
Claims against the Company not acknowledged as debt:				
(i) Pending statutory forms (C/H/I)*	-	-	7.79	13.34
(ii) EPCG licence obligation **	-	-	-	7.46
(iii) Pending obligation under Advance authorisation scheme **	-	-	-	7.86
	-	-	**7.79**	**28.66**
(B) Commitments:				
(i) Contracts remaining to be executed on capital account and not provided for (net of capital advances)	6.78	44.06	33.82	194.57
Total	**6.78**	**44.06**	**41.61**	**223.23**

*Company has pending statutory forms (C/H/I) for financial years 2015-16 to 2017-18. Aggregate amount of liability not provided as at September 30, 2022 is ₹ Nil, March 30, 2022 is ₹ Nil, March 31, 2021 is ₹ 7.79 and March 31, 2020 is ₹ 13.34.

**Company has pending amount of Customs Duty (excluding interest) in respect of machinery imported under various export promotion schemes as at September 30, 2022 is ₹ Nil, March 30, 2022 is ₹ Nil, March 31, 2021 is ₹ Nil and March 31, 2020 is ₹ 15.32.

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of these matters.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

29. Employee benefits:

The employee benefit schemes are as under:

1 Defined contribution plans

i. Provident fund:

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred.

Total expense recognised during the period / year ended as follows:

i. Six months period ended September 2022 : ₹ 9.52

ii. Year ended March 31, 2022 : ₹ 18.65 (Additionally, a provision reversal was made for ₹ 18.10 (Mar '15-Feb '18), pursuant to final order from Assistant PF Commissioner)

iii. Year ended March 31, 2021 : ₹ 16.49

iv. Year ended March 31, 2020 : ₹ 15.33

2 Defined Benefit Plans

i. Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	**For the period ended September 30, 2022**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Discount rate (%)	7.70%	7.46%	6.99%	6.69%
Salary increase rate (%)	10.00%	10.00%	10.00%	10.00%
Attrition (%)	8.00%	8.00%	8.00%	8.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58 years	58 years	58 years	58 years

The following table sets out the defined benefit costs as per actuarial valuation for the Company.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:	**For the period ended September 30, 2022**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current service cost	7.38	5.08	6.95	6.94
Net interest cost				
Interest expense on defined benefit obligation	2.94	2.44	4.51	2.84
Interest income on plan assets	(0.96)	(2.08)	(1.99)	(1.59)
Defined benefit costs recognised in P&L	**9.36**	**5.44**	**9.47**	**8.19**

Remeasurement effects recognised in Other Comprehensive Income	**For the period ended September 30, 2022**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Actuarial (Gain) / Loss due to demographic assumptions change in defined benefit obligation	-	-	-	(0.38)
Actuarial (Gain) / Loss due to Financial assumptions change in defined benefit obligation	(1.94)	0.98	(2.16)	6.30
Actuarial (Gain) / Loss due to Experience on defined benefit obligation	2.86	2.71	0.32	8.34
Return on plan assets (Greater)/Less than discount rate	0.07	0.78	-	-
Defined benefit costs recognised in Other Comprehensive Income	**0.99**	**4.47**	**(1.84)**	**14.26**

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(All amounts in ₹ millions, except share and per share data and where otherwise stated)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of funded defined benefit obligation	88.92	79.85	72.85	65.75
Fair value of plan assets	(27.72)	(28.93)	(31.83)	(27.04)
Net liability arising from defined benefit obligation	**61.20**	**50.92**	**41.02**	**38.71**

Movement in the present value of the defined benefit obligation	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Projected benefit obligation at the beginning of the period/ year	79.85	72.85	65.75	43.13
Current service cost	7.38	5.08	6.95	6.94
Interest cost	2.94	2.44	4.51	2.84
Actuarial loss/(gain)	0.92	3.69	(1.84)	14.26
Benefits paid	(2.17)	(4.21)	(2.52)	(1.42)
Defined benefit obligation at the end of the period/ year	**88.92**	**79.85**	**72.85**	**65.75**

Change in Plan assets	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Plan assets at the beginning of the period/ year	28.93	31.83	27.04	22.04
Return on plan assets	0.96	2.08	1.99	1.59
Employer contribution	-	0.01	5.32	4.83
Benefits paid	(2.17)	(4.21)	(2.52)	(1.42)
Asset (loss)/Gain	-	(0.78)	-	-
Plan Assets at the end of the period/ year	**27.72**	**28.93**	**31.83**	**27.04**

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by Life Insurance Corporation of India as per Insurance Regulatory and Development Authority of India (IRDA) guidelines, category wise composition of the plan assets is not available.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Discount rate (1% movement)		Future salary growth (1% movement)	
	Increase	Decrease	Increase	Decrease
As at Sep 30, 2022	(8.06)	9.34	8.40	(7.49)
As at March 31, 2022	(7.48)	8.71	8.08	(7.14)
As at March 31, 2021	(7.20)	8.43	7.91	(6.89)
As at March 31, 2020	(6.75)	7.94	7.41	(6.42)

Maturity profile of defined benefit obligation (discounted cash flows):

Particulars	As at Sep 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Within 1 year	4.48	4.02	3.48	2.85
1-2 year	6.00	3.72	3.10	2.86
2-3 year	3.74	4.94	2.92	2.53
3-4 year	3.83	3.14	4.68	2.38
4-5 year	6.81	4.01	2.49	4.08
5-10 year	19.27	17.35	16.17	12.53
Payouts above 10 years	44.78	42.67	40.00	38.51

ii. Assumptions for compensated absences:

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (%)	7.70%	7.46%	6.99%	6.69%
Salary increase rate (%)	10.00%	10.00%	10.00%	10.00%
Attrition (%)	8.00%	8.00%	8.00%	8.00%
Leave availment ratio	5.00%	5.00%	5.00%	5.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58 years	58 years	58 years	58 years

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to Statement of Profit and Loss in the period determined.

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
Annexure V(b) : Notes to Restated Summary Statement
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

30. Related Party Transactions

(i) The list of related parties of the Company is given below:

Name of the related party	Nature of relationship
Cyient Limited	Holding company
Cyient Inc.	Fellow subsidiary
Cyient GmbH	Fellow subsidiary
Cyient Singapore	Fellow subsidiary
Cyient Israel India Limited	Fellow subsidiary
Key Managerial Personnel:	
BVR Mohan Reddy (w.e.f December 27, 2022)	Non-Executive Director, Non-Independent Director
Ganesh Venkat Krishna Bodanapu	Chairman, Non-Executive Director, Non Independent Director
Ajay Aggarwal (resigned w.e.f December 13, 2022)	Director
Rajendra Velagapudi	Managing Director
Jehangir Ardeshir (w.e.f December 13, 2022)	Independent Director
Vanitha Datla (w.e.f December 13, 2022)	Independent Director
Medan Pillutla (w.e.f December 27, 2022)	Independent Director
Shrinivas Kulkarni (w.e.f January 02, 2023)	Chief Financial officer (CFO)
Anthony Montalbano (w.e.f January 02, 2023)	Chief Executive officer (CEO)
Suchitra R C (resigned w.e.f October 10, 2022)	Additional Director & Vice President Operations
Haritha Saranga (resigned w.e.f September 13, 2019)	Independent Director
Jehangir Ardeshir (resigned w.e.f September 13, 2019)	Independent Director
Avinash Chander (resigned w.e.f September 13, 2019)	Independent Director
Parvati Ramachandra	Company Secretary

(ii) Summary of the transactions with the above related parties are as follows:

Nature of the transaction	Party name	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contract with customers - Sale of Goods	Cyient Limited	0.51	10.95	10.91	38.27
	Cyient Inc.	11.77	1.24	6.52	4.47
	Cyient Israel India Limited	-	-	-	0.16
Marketing expenses	Cyient Israel India Limited	7.81	15.01	20.00	13.88
Purchases of goods	Cyient Israel India Limited	-	-	-	4.20
	Cyient Limited	-	-	8.23	-
Reimbursement of expenses	Cyient Limited	32.24	37.38	37.09	29.51
	Cyient GmbH	-	3.29	-	-
	Cyient Singapore	5.92	6.81	-	-
	Cyient Inc.	15.22	45.84	22.64	-
Term loans received	Cyient Limited	-	-	230.00	700.00
Working capital loan received	Cyient Limited	-	825.00	300.00	200.00
Working capital loan paid	Cyient Limited	-	600.00	300.00	204.00
Corporate guarantee received	Cyient Limited	750.00	-	-	1,450.00
Corporate guarantee liquidated	Cyient Limited	-	-	-	2,210.00
Purchase of investment	Cyient Limited	892.00	-	-	-
Right issue of shares (Note 12)	Cyient Limited	888.62	-	-	-
Interest on loan from holding company	Cyient Limited	46.19	81.64	77.34	61.51
Compensation to Key Managerial Personnel	Parvati Ramachandra [#1]	0.77	1.58	1.30	1.31
	Rajendra Velagapudi [#1*]	7.39	16.15	12.06	13.77
	Suchitra R C [#1]	3.75	7.43	6.26	5.80
	Independent Directors	-	-	-	0.90

#1 The above figures do not include provisions for leave encashment, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.
* Managerial remuneration to Mr. Rajendra Velagapudi is paid by Cyient Limited, Holding Company and is recharged to the Company.

(iii) Balances at the year-end:

Nature of the transaction	Party name	As at Sep 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade Receivables	Cyient Limited	13.30	11.84	-	59.36
	Cyient Inc.	16.26	2.98	6.12	5.06
	Cyient GmbH	0.37	-	0.33	-
	Cyient Israel India Limited	-	-	-	0.05
Trade Payables	Cyient Limited	294.97	254.96	218.55	170.42
	Cyient GmbH	3.36	3.03	-	-
	Cyient Singapore	12.17	6.83	-	-
	Cyient Israel India Limited	32.86	46.03	44.53	62.53
	Cyient Inc.	84.62	69.39	22.96	-
Advance from customer	Cyient Limited	-	7.20	7.20	-
Advance to suppliers	Cyient Israel India Limited	-	-	-	19.26
Corporate guarantee outstanding	Cyient Limited	4,470.00	3,720.00	3,720.00	3,720.00
Terms Loans Outstanding	Cyient Limited	995.63	995.63	995.63	781.42
Working capital Loan Outstanding	Cyient Limited	540.00	540.00	315.00	315.00
Interest on loans outstanding	Cyient Limited	185.80	145.47	70.75	7.32

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

31. Earnings per share

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) for the period/year	134.22	397.95	118.14	(67.04)
Basic and diluted:				
Number of equity shares outstanding at the period/year end (refer note 12)	29,37,000	13,67,000	13,67,000	13,67,000
Weighted average number of equity shares for the period/year end (A)	16,15,798	13,67,000	13,67,000	13,67,000
Impact on account of Bonus Issue (refer Note below) (B)	2,74,68,563	2,32,39,000	2,32,39,000	2,32,39,000
Weighted average number of equity shares after Bonus Issue (A+B)	2,90,84,361	2,46,06,000	2,46,06,000	2,46,06,000
Earnings per share (₹)	**4.61**	**16.17**	**4.80**	**(2.72)**

*There were no dilutive instruments outstanding during the period/ year.

Note : Pursuant to resolution passed by the Directors of the Company on December 13, 2022 and approved by the extraordinary general meeting held on December 14, 2022, the Company has allotted equity shares of face value of ₹ 10 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:17. Accordingly, basic earning per share for the current year and for earlier year have been calculated / restated after considering the above bonus issue in terms of Ind AS-33 "Earnings Per Share" (refer note 38)

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

32. Financial Instruments

32.1 Capital management

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the capital structure. The Company monitors the return on capital. In order to optimise the Company's position with regards to its borrowings, interest income and interest expense, treasury team performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

32.1.1 Gearing ratio

The gearing ratio at end of the reporting period is as follows.

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Borrowings	3,081.50	2,931.93	2,337.65	2,613.71
Less: Cash and bank balances	(1,267.94)	(1,218.08)	(341.76)	(661.45)
Net debt	**1,813.56**	**1,713.85**	**1,995.89**	**1,952.26**
Total equity	1,793.22	771.12	376.52	257.06
Net debt to equity	**101%**	**222%**	**530%**	**759%**

* Includes current, non-current and current maturities of non-current borrowings (refer note 14)

32.1.2 : Financial Instruments by category

Particulars	Carrying value as at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Financial assets:				
Amortised cost				
Trade receivables	1,507.61	1,523.25	2,263.83	545.85
Cash and cash equivalents	818.08	768.59	146.69	234.58
Other bank balances	449.86	449.49	195.07	426.87
Other financial assets	70.40	61.13	77.13	84.70
Fair value through other comprehensive income				
Investments in other equity instruments (unquoted)	895.22	3.22	3.22	3.22
Total financial assets	**3,741.17**	**2,805.68**	**2,685.94**	**1,295.22**
Financial liabilities:				
Amortised cost				
Borrowings*	3,081.50	2,931.93	2,337.65	2,613.71
Trade payables	2,507.14	1,924.85	1,900.25	1,048.57
Lease liabilities	407.07	436.90	452.54	465.73
Other financial liabilities	191.54	154.43	99.42	165.61
Total financial liabilities	**6,187.25**	**5,448.11**	**4,789.86**	**4,293.62**

* Includes current, non-current and current maturities of non-current borrowings (refer note 14)

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, other financial assets, loans and deposits, trade payables, borrowings, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments, and hence these are carried at amortised cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Investments in other equity instruments (unquoted) are measured at fair value through initial designation in accordance with Ind-AS 109.

32.1.3 Fair value hierarchy

Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs)

Quantitative disclosures of fair value measurement hierarchy for financial instruments

Fair value measurement at the end of period/ year	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Level 3				
Investments in other equity instruments (unquoted)	895.22	3.22	3.22	3.22

The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted equity investments.

There have been no transfers among Level 1, Level 2 and Level 3 during the period /year.

32.1.4 Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the period / year ended

Fair value measurement at the end of period/ year	Investments in other equity instruments (unquoted)			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Level 3				
Opening balance	3.22	3.22	3.22	3.22
Acquisitions (refer note 6)	892.00	-	-	-
Closing balance	895.22	3.22	3.22	3.22

Valuation inputs and relationships to fair value:

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Investments in other equity instruments (unquoted)		Significant unobservable inputs		Sensitivity of the inputs to fair value
As at	Fair value			
September 30, 2022	895.22	Earnings growth rate	Earnings growth factor for unquoted equity shares are estimated based on the market information of similar type of companies and also considering the economic environment impact.	Any increase in the earnings growth rate would result in a increase in fair value.
March 31, 2022	3.22			
March 31, 2021	3.22	Discount rate	Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.	Any increase in the discount rate would result in a decrease in the fair value.
March 31, 2020	3.22			

32.2 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk and interest rate risk.The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The liquidity risk is measured by the Company's inability to meet its financial obligations as they become due.

Foreign exchange risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

Sensitivity analysis:

Every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 25.50 for the period ended September 30, 2022, ₹ 29.25 for the year ended March 31, 2022, for year ended March 31, 2021: ₹ 43.04, for the year ended March 31, 2020: ₹ 40.85.

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 14.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of total receivables from top five customers and others:

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Receivable from top 5 customers	61%	79%	72%	42%
Others	39%	21%	28%	58%

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The Company had unutilized credit limits from banks as of September 30, 2022 ₹ 886.80, March 31, 2022 ₹ 427.94, March 31, 2021 ₹ 588.37, March 31, 2020 ₹ 794.00
The table below provides details regarding the working capital and cash and bank balances.

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net Working Capital (Current Asset - Current Liability)	827.04	727.32	(476.73)	(679.12)
Cash and Bank balances	1,267.94	1,218.08	341.76	661.45

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at September 30, 2022:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade payables	2,507.14	-	-
Other financial liabilities	68.23	35.23	88.08
Total	**2,575.37**	**35.23**	**88.08**

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at March 31, 2022:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade payables	1,924.85	-	-
Other financial liabilities	41.33	28.28	84.82
Total	**1,966.18**	**28.28**	**84.82**

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade and other payables	1,900.25	-	-
Other financial liabilities	42.80	-	56.62
Total	**1,943.05**	**-**	**56.62**

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at March 31, 2020:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade and other payables	1,048.57	-	-
Other financial liabilities	165.61	-	-
Total	**1,214.18**	**-**	**-**

The Company's obligation towards payment of borrowings has been included in note 14

The Company's obligation towards payment of lease liabilities has been included in note 3B.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

33. Segment information

The Company's operations fall within a single operating segment "Electronic manufacturing solutions" which is considered as the primary reportable business segment.
The reporting of geographical segments is based on the location of customers i.e., Domestic (Within India) and Overseas (Outside India).

Geographical segment information

Particulars	Revenue from operations			Non-current assets*		
	Within India	Outside India	Total	Within India	Outside India	Total
As at September 30, 2022	1,313.86	2,088.84	3,402.70	1,671.84	-	1,671.84
As at March 31, 2022	3,964.10	3,241.23	7,205.33	1,764.13	-	1,764.13
As at March 31, 2021	3,985.09	2,295.19	6,280.28	1,914.99	-	1,914.99
As at March 31, 2020	2,085.94	2,484.93	4,570.87	1,925.17	-	1,925.17

*Geographical non-current assets (property , plant and equipment, right of use assets, capital work-in-progress, goodwill, intangible assets and other non-current assets) are allocated based on location of assets.

Information about major customers

Particulars	For the six months period ended		For year ended					
	September 30, 2022	Percentage	March 31, 2022	Percentage	March 31, 2021	Percentage	March 31, 2020	Percentage
Revenue from top customers (*)	1,614.00	47.43%	3,527.80	48.96%	2,795.09	44.51%	2,170.54	47.49%
Others	1,788.70	52.57%	3,677.53	51.04%	3,485.19	55.49%	2,400.33	52.51%
Total Revenue	**3,402.70**	**100.00%**	**7,205.33**	**100.00%**	**6,280.28**	**100.00%**	**4,570.87**	**100.00%**

*Includes revenue from customers individually amounting to 10% or more of the Company's revenues.
The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

34. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	29.96	32.06	60.60	22.28
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-	0.04
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.
The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

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Annexure V(b) : Notes to Restated Summary Statement

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

							% Change					
35. Ratios	**Numerator**	**Denominator**	**September 30, 2022**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**	**Sep 22 vs Mar 22**	**Reasons**	**Mar 22 vs Mar 21**	**Reasons**	**Mar 21 vs Mar 20**	**Reasons**
Current ratio	Current Assets	Current Liabilities	1.13	1.14	0.90	0.85	-1.19%		26.28%	Note 1 (a)	6.08%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.95	4.37	7.41	11.98	-55.48%	Note 1 (b) and (1c)	-41.03%	Note 1 (b) and (1c)	-38.14%	Note 1 (b) and (1c)
Debt Service Coverage ratio	Earnings for debt service**	Debt service = Interest & Lease Payments + Principal Repayments	0.23	0.36	0.23	0.18	-35.18%	Note 1 (d)	56.52%	Note 1 (b)	29.30%	Note 1 (b)
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.10	0.69	0.37	(0.22)	-84.91%	Note 1 (c)	85.96%	Note 1 (b)	-268.64%	Note 1 (b)
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.80	2.56	2.62	1.82	-68.89%	Note 1 (e)	-2.32%	Note 1 (b)	44.16%	Note 1 (b)
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.25	3.81	4.47	5.25	-40.99%	Note 1 (e)	-14.88%	NA	-14.79%	NA
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.77	3.44	2.90	4.04	-48.68%	Note 1 (e)	18.48%	NA	-28.17%	Note 1 (b)
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	4.11	9.91	(13.17)	(6.73)	-58.47%	Note 1 (e)	-175.20%	Note 1 (c)	95.73%	Note 1 (c)
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.04	0.06	0.02	(0.01)	-28.58%	Note 1 (e)	193.60%	Note 1 (b)	-228.26%	Note 1 (b)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt*	0.06	0.18	0.11	0.03	-64.26%	Note 1 (e)	52.93%	Note 1 (b)	249.01%	Note 1 (b)
Return on Investment #	Interest (Finance Income)	Investment	-	-	-	-	-		-			

The Company does not have any income generated on investments.

*Debt represents Borrowings and lease liabilities.

**Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Interest + other adjustments such as loss on sale of Fixed assets

Note 1 : Improvement in ratio is due to:

a. Higher efficiency resulting in improved working capital

b. Increased earnings on account of overall business growth through margin improvement.

c. Issue of right shares during the six months period ended September 2022.

d. Increase in repayment of working capital loan.

e. Ratios for the September 2022 are based on six months financial information.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

36. Employee Share based expenses

(i) Cyient Limited ("Holding Company") of the Company instituted Associate stock option plan 2015 (ASOP 2015) in July 2015 and earmarked 1,200,000 equity shares of ₹ 5 each for issue to the employees of the Holding Company and its subsidiaries. Under ASOP 2015, options will be issued to employees at an exercise price, which shall not be less than the market price of the Holding Company on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year. Share based expenses incurred by Holding Company are recharged to respective group companies. In this regard, the Company has accounted for share based expenses in the statement of profit and loss and a corresponding liability towards amount payable to Holding Company.

Movements in stock options during the period/year

Particulars	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Shares	Weighted average exercise price	No. of Shares	Weighted average exercise price	No. of Shares	Weighted average exercise price
Options outstanding at the beginning of the period/year	9,953	473	-	-	-	-	-	-
Granted	-	-	11,840	473	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-
Exercised	(699)	473	(1,887)	473	-	-	-	-
Options outstanding at the end of the period/year	9,254	473	9,953	473	-	-	-	-

The fair value of options granted in the year was September 30, 2022 ₹ nil, March 31, 2022 ₹ 112 to 129, March 31, 2021 ₹ Nil, March 31, 2020 ₹ Nil

(ii) Cyient Limited ("Holding Company") of the Company instituted the ARSU's 2020 plan earmarking 1,050,000 shares of ₹ 5 each which provided for grant of RSUs to eligible associates of the Company and its subsidiaries. The Board of Directors recommended the establishment of the plan on January 16, 2020 and the shareholders approved the recommendation of Board of Directors on March 5, 2020 through a postal ballot. The RSUs will vest over a period of three years from the date of grant. Share based expenses incurred by Holding Company are recharged to respective group companies. In this regard, the Company has accounted for share based expenses in the statement of profit and loss and a corresponding liability towards amount payable to Holding Company.

Movements in stock options during the period/year

Particulars	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Shares	Weighted average exercise price	No. of Shares	Weighted average exercise price	No. of Shares	Weighted average exercise price
Options outstanding at the beginning of the year	10,240	5	-	-	-	-	-	-
Granted	-	-	10,240	5	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-
Exercised	(312)	5	-	-	-	-	-	-
Options outstanding at the end of the period/year	9,928	10	10,240	5	-	-	-	-

The fair value of RSUs granted in the period / year was September 30, 2022 ₹ Nil, March 31, 2022 ₹ 714 to 792, March 31, 2021 ₹ Nil, March 31, 2020 ₹ Nil
The total charge for the period / year relating to employee share based payment plans was September 30, 2022 ₹ 3.21, March 31, 2022 ₹ 0.78, March 31, 2021 ₹ Nil, March 31, 2020 ₹ Nil

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

37. Other Statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(a) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has not received any fund from any persons or entries, 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

(a) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Company does not have any such 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.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

38. Subsequent events

i. Pursuant to resolution passed by the Directors of the Company on December 13, 2022 and approved by the extraordinary general meeting held on December 14, 2022, the Company has allotted equity shares of face value of ₹ 10 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:17 to be capitalised out of the Company's securities premium account/ free reserves or such other accounts as are permissible to be utilized for this purpose.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

39. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

40. The Company has considered internal and external sources of information up to the date of approval of these financial statements in evaluating the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables. The Company has applied prudence in arriving at the estimates and assumptions. The Company is confident about the recoverability of these assets.

41. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

The above statement should be read with Annexure V(a) and Annexure VI to the Restated Summary Statement.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: January 05, 2023

Krishna Bodanapu
Non-Executive Chairman
(DIN - 00605187)

Place: Hyderabad
Date: January 05, 2023

Rajendra Velagapudi
Managing Director
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)

Shrinivas Kulkarni
Chief Financial Officer

Place: Hyderabad
Date: January 05, 2023

Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)
(CIN No.: U31909TG1993PTC141346)
Annexure VI - Statement of Adjustments to the Restated Summary Statements
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

(A) Summarised below are the restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the six months period ended September 30, 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020 and their consequential impact on the profit/ (loss) of the Company:

Particulars	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A. Profit after tax (as per historical audited financial statements)	**134.22**	**397.95**	**118.14**	**(67.04)**
B. Adjustments:				
Material restatement Adjustments:				
(i) Audit qualifications	-	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-	-
C. Total impact of adjustments (i + ii + iii)	-	-	-	-
D. Profit/ (Loss) after tax as per Restated Summary Statement (A+C)	**134.22**	**397.95**	**118.14**	**(67.04)**

(B) Summarised below are the restatement adjustments made to the equity of the Audited Financial Statements of the Company for the six months period ended September 30, 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020 and their consequential impact on the profit/ (loss) of the Company:

Particulars	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A. Total Equity as per Audited Financial Statements	**1,793.22**	**771.12**	**376.52**	**257.06**
B. Adjustments:				
Material restatement Adjustments:				
(i) Audit qualifications	-	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-	-
C. Total impact of adjustments (i + ii + iii)	-	-	-	-
D. Total equity as per Restated Summary Statement (A+C)	**1,793.22**	**771.12**	**376.52**	**257.06**

(C) Non-adjusting items: Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Summary Statement

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016 (as amended), on the financial statements of the Company for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 which do not require any corrective adjustment in the Restated Summary Statement are as follows:

For the year ended 31 March 2022

Clause (vii) (b) of CARO 2020 Order
The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues have not been deposited on account of any dispute, are as follows

Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (Rs. In Mn)
Income Tax Act, 1961	Income tax	CIT (Appeals)	FY 2016-17	5.11
			FY 2017-18	12.00

The above statement should be read with Annexure V(a) and Annexure V(b) to the Restated Summary Statement.
As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: January 05, 2023

For and on behalf of the Board of Directors
Cyient DLM Limited (formerly known as Cyient DLM Private Limited)

Krishna Bodanapu
Non-Executive Chairman
(DIN - 00605187)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)

Shrinivas Kulkarni
Chief Financial Officer

Place: Hyderabad
Date: January 05, 2023

Place: Hyderabad
Date: January 05, 2023

OTHER FINANCIAL INFORMATION

The accounting ratios derived from Restated Summary Statement required to be disclosed under the SEBI ICDR Regulations and other non-GAAP measures are set forth below:

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
EPS (Basic)^ (in ₹)[(1)]	4.61*	16.17	4.80	(2.72)
EPS (Diluted)^ (in ₹)[(1)]	4.61*	16.17	4.80	(2.72)
Return on Net Worth (RoNW) (in %)[(2)(3)(4)]	7.48%	51.61%	31.38%	(26.08)%
NAV per Equity Share^ (in ₹)[(5)]	61.66	31.34	15.30	10.45
EBITDA (in ₹ million)[(6)]	352.35	840.40	459.44	137.32

The ratios have been computed as under:

(1) Basic and diluted earnings per share (EPS)= Restated profit for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period. Earnings Per Equity Share (Basic and Diluted) are computed in accordance with Ind AS 33 - Earnings Per Share notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

^ *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 13, 2022 issued bonus shares at a 1:17 ratio of the equity shares at face value of ₹10 each.*

* *Basic and Diluted EPS for the six-month period ended September 30, 2022 is not annualized.*

(2) Return on net worth %= Restated profit for the year/period attributable to equity shareholders of the Company divided by net worth of the Company as at the end of the year/period.

(3) RoNW for the six months period ending September 30, 2022 is not annualized.

(4) Net worth = Aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from the Restated Summary Statement, but does not include reserves created out of revaluation of assets and write- back of depreciation.

(5) Net assets value per share= Net asset value per share is calculated by dividing net worth by weighted average number of equity shares outstanding at the end of the year/period adjusted for the bonus issue.

(6) EBITDA is calculated as profit/(loss) before tax minus other income plus finance costs, and depreciation and amortisation expense.

Non-GAAP Financial Measures

This section includes Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance (together, "**Non-GAAP Measures**" and each a "**Non-GAAP Measure**"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Ind AS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS 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. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further details, see "*Risk Factors – Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These Non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.*" on page 46.

Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Financial Measures included in this Draft Red Herring Prospectus are given below.

Reconciliation of Revenue from Operations to Gross Profit and Gross Profit Margin

(₹ in million, except as otherwise stated)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Revenue from Operations (I)	3,402.70	7,205.33	6,280.28	4,570.87
Cost of materials consumed (II)	2,594.31	5,552.88	4,778.52	3,881.79
Changes in inventories of finished goods and work-in-progress (III)	52.77	(113.26)	174.41	(232.69)
Other direct costs (IV)	248.62	635.44	537.05	437.46
Gross Profit (V = I-II-III-IV)	507.00	1,130.27	790.30	484.31
Gross Profit Margin % (VI = V/I)	**14.90%**	**15.69%**	**12.58%**	**10.60%**

Reconciliation of profit/(loss) for the period/year to EBIT, EBIT Margin, EBITDA and EBITDA Margin

(₹ in million, except as otherwise stated)

Particulars	As at and for the six months period ended Sep 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/(loss) for the period/year (I)	134.22	397.95	118.14	(67.04)
Other Income (II)	78.08	79.51	88.83	78.25
Total tax expense/(benefit) (III)	52.48	109.35	37.81	(5.12)
Finance costs (IV)	144.80	219.75	207.70	181.94
Earnings before Interest and tax (EBIT) (V = I-II+III+IV)	**253.42**	**647.54**	**274.82**	**31.53**
Depreciation and amortisation expense (VI)	98.93	192.86	184.62	105.79
EBITDA (VII = V+VI)	**352.35**	**840.40**	**459.44**	**137.32**
Revenue from Operations (VIII)	3,402.70	7,205.33	6,280.28	4,570.87
EBITDA Margin % (IX =VII/VIII)	**10.36%**	**11.66%**	**7.32%**	**3.00%**
EBIT Margin % (X=V/VIII)	**7.45%**	**8.99%**	**4.38%**	**0.69%**

Reconciliation of Profit/(Loss) for the period/ year to Profit/(Loss) Margin

(₹ in million, except as otherwise stated)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/(Loss) for the period/ year (I)	134.22	397.95	118.14	(67.04)
Revenue from operations (II)	3,402.70	7,205.33	6,280.28	4,570.87
Profit/(Loss) Margin % (III= I/II)	**3.94%**	**5.52%**	**1.88%**	**(1.47)%**

Reconciliation of Trade receivable to Days Sales Outstanding (DSO)

(₹ in million, except as otherwise stated)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Trade receivables (I)	1,507.61	1,523.25	2,263.83	545.85
Revenue from operations (II)	3,402.70	7,205.33	6,280.28	4,570.87
Number of days in the period/ year (III)	183.00	365.00	365.00	366.00
Days Sales Outstanding [IV = (I/II)*III]	**81**	**77**	**132**	**44**

Reconciliation of Return on Capital Employed (ROCE)

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022*	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Equity Share Capital (I)	29.37	13.67	13.67	13.67
Other equity (II)	1,763.85	757.45	362.85	243.39
Non-current borrowings (III)	871.18	995.63	640.00	651.88
Non-current lease liabilities (IV)	348.30	377.19	400.02	417.50
Current borrowings (V)	2,210.32	1,936.30	1,697.65	1,961.83
Current lease liabilities (VI)	58.77	59.71	52.52	48.23
Capital employed (VII= I+II+III+IV+V+VI)	**5,281.79**	**4,139.95**	**3,166.71**	**3,336.50**
EBIT (VIII)	253.42	647.54	274.82	31.53
Other income (IX)	78.08	79.51	88.83	78.25
Return on capital employed % [X=(VIII+IX)/VII]	**6.28%**	**17.56%**	**11.48%**	**3.29%**

** ROCE is not annualized for six months period ended September 30, 2022*

Reconciliaiton of Asset Turnover Ratio

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022*	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Revenue from operations (I)	3,402.70	7,205.33	6,280.28	4,570.87
Total Assets - Opening (II)	7,769.14	6,450.31	5,934.94	4,661.33
Total Assets - Closing (III)	10,002.74	7,769.14	6,450.31	5,934.94
Average total assets [IV=(II+III)/2]	8,885.94	7,109.73	6,192.63	5,298.14
Assets Turnover Ratio (V=I/IV)	**0.38**	**1.01**	**1.01**	**0.86**

** Asset Turnover Ratio for the six months period ended September 30, 2022 is not annualised*

Reconciliation of Profit/(Loss) for the period/year to Return on Net Worth (RoNW)%

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022*	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/(loss) for the period/year (I)	134.22	397.95	118.14	(67.04)
Equity Share Capital (II)	29.37	13.67	13.67	13.67
Other equity (III)	1,763.85	757.45	362.85	243.39
Net worth (IV = II+III)	1,793.22	771.12	376.52	257.06
Return on net worth % (V= I/IV)	**7.48%**	**51.61%**	**31.38%**	**(26.08)%**

** RoNW% for the six months period ended September 30, 2022 is not annualized.*

Reconciliation of Net Asset Value per share

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Equity Share Capital (I)	29.37	13.67	13.67	13.67
Other equity (II)	1,763.85	757.45	362.85	243.39
Net worth (III = I+II)	1,793.22	771.12	376.52	257.06
Weighted average number of Equity Shares (IV)	29,084,361	24,606,000	24,606,000	24,606,000
Net assets value per share (V)= (III/IV)	**61.66**	**31.34**	**15.30**	**10.45**

Reconciliation of Debt Service Coverage Ratio

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022*	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/(loss) for the year/ period (I)	134.22	397.95	118.14	(67.04)
Depreciation and amortisation expense (II)	98.93	192.86	184.62	105.79
Net unrealised exchange loss/(gain) (III)	(32.60)	15.45	27.92	14.68
Expected credit loss allowance, net (IV)	1.64	(13.15)	8.68	83.68
Interest expense (V)	132.59	190.61	188.47	160.47
Earnings for Debt Service (VI)=(I)+(II)+(III)+(IV)+(V)	**334.78**	**783.72**	**527.83**	**297.58**
Repayments of current borrowings (VII)	1,252.25	1,961.18	2,136.20	1,421.06
Repayment of lease liabilities (including interest) (VIII)	49.83	56.96	59.26	91.40
Interest expense (V)	132.59	190.61	188.47	160.47
Debt service (IX)= (V)+(VII)+(VIII)	**1,434.67**	**2,208.75**	**2,383.93**	**1,672.93**
Debt service coverage ratio (X)=(VI)/(IX)	**0.23**	**0.36**	**0.23**	**0.18**

** Debt service coverage ratio for the six months period ended September 30, 2022 is not annualized.*

Reconciliation of Interest Coverage Ratio

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
EBIT (I)	253.42	647.54	274.82	31.53
Finance costs (II)	144.80	219.75	207.70	181.94
Interest Coverage Ratio (III= I/II)	**1.75**	**2.95**	**1.32**	**0.17**

Reconciliation of Current ratio

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Total Current Assets (I)	7,363.73	5,918.98	4,429.20	3,880.15
Total Current Liabilities (II)	6,536.69	5,191.66	4,905.93	4,559.27
Current Ratio (III = I/II)	**1.13**	**1.14**	**0.90**	**0.85**

Reconciliation of Net working capital

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Total Current Assets (I)	7,363.73	5,918.98	4,429.20	3,880.15
Total Current liabilities (II)	6,536.69	5,191.66	4,905.93	4,559.27
Net working Capital (III=I-II)	**827.04**	**727.32**	**(476.73)**	**(679.12)**

Reconciliation of Trade Receivables Turnover Ratio

(₹in million, unless otherwise specified)

Particulars	As at and for the six months period ended September 30, 2022*	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Revenue from operations (I)	3,402.70	7,205.33	6,280.28	4,570.87
Trade receivables - Opening (II)	1,523.25	2,263.83	545.85	1,196.70
Trade receivables - Closing (III)	1,507.61	1,523.25	2,263.83	545.85
Average trade receivables [IV = (II+III)/2]	1,515.43	1,893.54	1,404.84	871.28
Trade Receivables Turnover Ratio (V=I/IV)	**2.25**	**3.81**	**4.47**	**5.25**

Reconciliation of Total Cash

(₹in million, unless otherwise specified)

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (I)	818.08	768.59	146.69	234.58
Other bank balances - Deposits held as margin money/ security for bank guarantees (II)	449.86	449.49	195.07	426.87
Total Cash (I)+(II)	**1,267.94**	**1,218.08**	**341.76**	**661.45**

In accordance with the SEBI ICDR Regulations the audited financial statements of our Company for the six months period ended 30 September 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 (collectively, the "**Audited Financial Statements**") are available on our website at www.cyientdlm.com/investors.

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 and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, *i.e.*, Ind AS 24 - Related Party Disclosures, read with the SEBI ICDR Regulations for the six months period ended September 30, 2022 and the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, see "*Restated Summary Statement – 30. Related Party Transactions*" on page 252.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the six months period ended September 30, 2022, and the Fiscals ended March 31, 2022, 2021 and 2020. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Summary Statement, including the schedules, notes and significant accounting policies thereto, and the sections entitled "Summary of Financial Information" and "Financial Information" on pages 57 and 210, respectively. The Restated Summary Statement has been prepared in accordance with Ind AS, Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our business, results of operations, financial condition and cash flows." on page 48.

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company, Cyient DLM Limited. Unless the context otherwise requires, references to our "customer" or "customers" shall be deemed to include affiliates or group entities of our customers, as applicable.

This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 25. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 18. Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Restated Summary Statement. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the Frost & Sullivan Report (which is a paid report and was commissioned by us solely in connection with the Offer).

Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

Overview

We are one of the leading integrated Electronic Manufacturing Services ("**EMS**") and solutions providers (*Source: Frost & Sullivan Report*) with strong capabilities across the value chain and the entire life cycle of a product. With over two decades of experience in developing high mix, low-to-medium volume highly complex systems, we are a qualified supplier to global OEMs in the aerospace and defence, medical technology and industrial sectors. We are one of the few EMS companies in India catering to highly regulated industries and the largest supplier of EMS services to the aerospace and defence industry by value in India (*Source: Frost & Sullivan Report*).

We leverage the design capabilities of our Promoter, Cyient Limited, a leading engineering services provider with over three decades of domain expertise providing engineering and design solutions globally with a focus on multiple industries (*Source: Frost & Sullivan Report*). Our Electronic Manufacturing Services are provided as Build to Print ("**B2P**") and Build to Specification ("**B2S**") services to our clients. Our B2P solutions involve our client providing the design for the product for which we provide agile and flexible manufacturing services. Our B2S services involve utilising our Promoter's design capabilities to design the relevant product based on the specifications provided by the client and manufacturing the product. Our solutions primarily comprise: (i) printed circuit board ("**PCB**") assembly ("**PCBA**"), (ii) cable harnesses, and (iii) box builds which are used in safety critical systems such as cockpits, inflight systems, landing systems, and medical diagnostic equipment.

The EMS market is witnessing strong tailwinds. The India EMS is a sizeable industry, contributing to 2.2% (USD 20 billion) of the global EMS market in 2022. India's EMS industry is the fastest growing among all countries at a CAGR of 32.3% and is expected to contribute 7.0% (USD 80 billion) of the global EMS market in 2026. There continues to be a strong push from the government to make India an ideal location for electronics manufacturing in the region. With clear benefits in terms of production efficiency, reduced overhead, labour costs, and faster new product introductions, OEMs today continue to collaborate with EMSs to develop their products. In addition, OEMs are also increasingly moving product design and development processes, to EMS partners (*Source: Frost & Sullivan Report*). We are well positioned to take advantage of these tailwinds on the back of our solutions-oriented approach, client-focused service and track record of reliability. Being a wholly-owned subsidiary of Cyient Limited, our relationship with our Promoter allows us to benefit from its reputation, customer relationships, global salesforce, network and technical expertise, making us one of the industry's leading integrated EMS and solutions providers in India (*Source: Frost & Sullivan Report*).

Our customers belong to a diverse range of high-entry-barrier industries that have stringent quality and qualification requirements. We enjoy long-term relationships as an integrated partner to multiple marquee customers such as Honeywell International Inc. ("**Honeywell**"), Thales Global Services S.A.S ("**Thales**"), ABB Inc, Bharat Electronics Limited and Molbio

Diagnostics Private Limited, having had an average relationship of over 11 years as on September 30, 2022 with the aforementioned customers. We provide services across the product life cycle for our clients by acting as an integrated service provider who can support their manufacturing and after-market services needs, as well as their design needs by leveraging our Promoter's design team. As a strategic partner to clients across highly regulated industries, we enjoy long-term relationships with high customer stickiness and a high proportion of repeat business, which allows us to have strong visibility on future revenue and a stable client base.

Our manufacturing infrastructure comprises three facilities spread across two states in India, at Mysuru, Hyderabad and Bengaluru, with a total manufacturing area of 229,061 sq. ft. Our Mysuru facility has a manufacturing area of 65,929 sq. ft. and is primarily engaged in the manufacture of PCBA, cable harnesses and box builds for clients in the aerospace and defence industries. Our Hyderabad facility, which is located in a special economic zone, has a manufacturing area of 150,932 sq. ft. and is primarily engaged in the manufacture of PCBA, cable harnesses and box builds for clients based in non-aerospace and non-defence industries, such as medical technology and healthcare. Our Bengaluru facility has a manufacturing area of 12,200 sq. ft. and is focused on high-precision manufacturing. Our manufacturing facilities have received various quality and standard certifications, details of which are set out in "- *Our Manufacturing Facilities*" on page 163. Further, we have a workforce of 616 qualified and skilled manufacturing personnel as on the date of this Draft Red Herring Prospectus, which is further supported by a new product introduction (NPI) and engineering team of a total of 68 engineers as on the date of this Draft Red Herring Prospectus, which helps us support our clients on technical aspects and provide value added services like design for assembly, design for manufacturing, design for testing, design for packaging, and process engineering to our clients. Our NPI capabilities are dedicated towards supporting seamless product introduction for our customers, through to market launch, and assisting them optimize the time to market for a new product.

We have a diversified Board with an average of over seven years in the EMS industry, which is supplemented by our strong professional management team, with an average of over 20 years of industry experience. Our senior management team includes our Managing Director, Rajendra Velagapudi, Chief Executive Officer and Business Head, Anthony Montalbano, our Chief Operating Officer, Ram Dornala and our Chief Financial Officer, Shrinivas Appaji Kulkarni. We believe our experienced and dedicated management team also enables us to capture market opportunities, formulate and execute business strategies, manage customer expectations and proactively address changes in market conditions.

Significant Factors Affecting Our Results of Operations

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial condition and results of operations:

Market and economic conditions

We derive a significant portion of our revenue from sales of complex and high mix, low-to-medium volume highly complex systems, primarily supplying to our clients engaged in the aerospace and defence, medical technology and industrials sectors in India and internationally. The level of demand for our products depends primarily on conditions in these sectors in our target markets which, in turn, depend to a large extent on general economic conditions in these markets. General economic factors that can affect demands in these sectors, therefore, demands for the products that we manufacture, include, among others:

- global oil prices, which impact the sectors in which our clients operate and consequently our industry;
- global and local economic or fiscal instability;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies, and environmental policies;
- global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money, including for automotive purchases), foreign exchange rates and inflation rates;
- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market; and
- cost of raw materials and labour.

The cyclical nature of general economic conditions and, therefore, of such sectors means that our results of operations can fluctuate substantially from period to period. We expect that these economic factors and conditions in our industry, particularly

changes in changes in technologies, customer preferences, government policies and interest rates, will continue to be the most important factors affecting our revenues and results of operations. Other factors, such as our competitiveness, quality and pricing, have an effect on our market share and our ability to win customers in competitive situations.

Maintaining our customer relationships

Almost all of our revenue from operations arises from sales of our products and rendering of services to our customers. As key customers typically have specific requirements, we believe that our continued relationships with these customers plays a significant role in determining our continued success and results of operations. Our strategic partnership model and our ability to develop and deepen our relationships with our customers has accelerated our growth and allowed us to enjoy a position of one of the leading EMS and solutions providers (*Source: Frost & Sullivan Report*). We also focus on assisting customers meet their requirements across the spectrum of their engagement with us, including in terms of cost, productivity, product reliability and low time to market. This, together with our high delivery standards and performance excellence, has enabled us to acquire, service and deepen and lengthen our relationship with diverse range of high-level clients ranging from startups to industry leaders. We are dependent on certain of our key customers, especially Honeywell International Inc., Thales Global Services S.A.S, ABB Inc., Bharat Electronics Limited and Molbio Diagnostics Private Limited. For further details, see "*Risk Factors – Our business is dependent on the sale of our products to certain key customers. The loss of any of our key customers or loss of revenue from sales to our customers could have a material adverse effect on our business, results of operations, financial condition and cash flows.*" on page 25. Further, a substantial portion of our business is derived from repeat contracts from customers, which constitutes 99.99%, 99.85%, 99.74% and 86.17% of our total revenue from operations for the six months period ended September 30, 2022, Fiscal 2022, 2021 and 2020, respectively. Our long-term contracts with our clients, have a term ranging between three years and more than 15 years. The demand for our products from our customers has a significant impact on our results of operations and financial condition. The loss of any one of our key customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations, financial condition and cash flows. Our supply arrangements with our customers also require us to meet certain standards and performance obligations and our failure to meet such specifications could result in a reduction of business from them, termination of contracts or additional costs and penalties, all of which may adversely impact our results of operations and financial condition. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to termination of our contracts or cancellation of the orders placed by our customers.

Raw material and labour costs

Raw material costs which consist of cost of material consumed and changes in inventory of finished goods and work in progress constitute the most significant portion of our expenses. Our costs of material consumed and changes in inventory of finished goods and work in progress for Fiscals 2020, 2021 and 2022 and the six months period ended September 30, 2022 were ₹3,649.10 million, ₹ 4,952.93 million, ₹ 5,439.62 million and ₹ 2,647.08 million, representing 78.49%, 77.76%, 74.67% and 76.05% of our total income respectively. Cost of materials consumed primarily consists of the cost of raw materials that we consume in the manufacture of our products (our primary raw materials are (a) electronics such as semiconductors and passives; (b) mechanicals such as machining, sheet metal, plastics and aluminum; (c) cables and connectors; and (d) consumables and packing).

We primarily purchase raw materials in line with the terms and prices that are agreed with our suppliers from time to time. Prices for these raw materials are linked to commodity markets, which, in turn, depend on changes in global economic conditions, industry cycles, transportation costs, supply-and-demand dynamics, attempts by individual producers to capture market share, and market speculation, among other factors, and are thus subject to fluctuation. In addition to market fluctuations, our average raw material prices can be affected by contractual arrangements and hedging strategies, if any. Our suppliers are associated with us through purchase orders, and we do not enter into definite-term agreements with them. See "*Risk Factors – We depend on third party suppliers for the supply of raw materials and components, which are on a purchase order basis. Such suppliers may not perform, or be able to perform their conditions in a timely manner, or at all and any delay, shortage, interruption, reduction in the supply of or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business, results of operations, financial condition and cash flows.*" on page 27.

While in practice we have passed the increase in the cost of raw materials onto our customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our customers, we may in some instances bear the risk of price increases that occur. Further, an increase in raw material prices may result in increased prices for our customers' products, which may in turn result in decreased demand for their products and, consequently, the components that we supply for their products.

Employee benefit expense comprise our second largest expense after raw material costs. In fiscals 2020, 2021 and 2022 and for the six months period ended September 30, 2022, our employee benefit expense represented 9.48%, 7.36%, 7.09% and 6.88% of our total income respectively. We seek to improve our operational efficiency by reducing our employee benefit expenses as a percentage of our total incomes, notwithstanding that we are continuing to expand our business and manufacturing facilities. We have entered into a memorandum of settlement with the representatives of our workers in our Mysuru facility, which is valid until March 31, 2025, and shall be valid thereafter unless terminated by either of the parties. Further, with respect to the workers at our Hyderabad facility, we have standing orders certified and authenticated by the Office of the Development Commissioner, Vishakhapatnam Special Economic Zone, Ministry of Commerce and Industry, Government of India on March 16, 2022 under the Industrial Employment (Standing Orders) Act, 1946 and the Telangana State Industrial employment (Standing Orders) Rules, 1953 ("**Standing Orders**"). Rising wages in India as well as any change in applicable labour laws, may have a material impact on our costs.

Operating costs and efficiencies

Given the nature of our business, operating costs and efficiencies are critical to maintaining our competitiveness and profitability. Our profitability is partially dependent on our ability to spread fixed production costs over our production volumes.

Our operations are integrated across the product cycle and coordinated through concurrent engineering and design, machine building and automation. This vertical integration of our operations has enabled us to streamline our production processes, achieve shorter development and delivery times, exercise greater control over key inputs and processes, enhance quality control and increase supply security. We continually undertake efforts to reduce our costs, such as negotiating discounts, outsourcing non-critical processes, reducing energy usage and rationalising our labour. Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control.

In the highly regulated industries that our customers belong to, adherence to quality standards is crucial since the products are mission-critical for the customer with a high criticality of failure. In order to maintain the quality standards and comply with the design specifications of our customers, we follow a stringent quality control mechanism, and we also have a separate team of engineers responsible for quality assurance. We also incur certain costs in order to ensure that the products that we supply to our customers are of high quality and free of defects. Such costs relate to matters such as capital expenditure, testing and validation, systems deployment and rejection and re-working of products. Any failure to comply with the design specifications of our customers, may lead to cancellations of our contracts and loss of reputation. Quality control therefore is critical to our operations and a failure to prevent the passing down of defects to our customers may make us liable to pay significant damages.

Exchange rates

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Further, a part of our revenues is derived from sales to customers based outside of India. In fiscals 2020, 2021, 2022 and six months period ended September 30, 2022, our total revenues from contracts with customers with geographical location outside India were ₹2,484.93 million, ₹2,295.19 million, ₹3,241.23 million and ₹2,088.84 million, respectively, which represented 54.36%, 36.55%, 44.98% and 61.39% of our total revenue, respectively. The exchange rate between the Indian Rupee and the currencies in which we receive payments for such exports, i.e. primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, overseas professional costs, freight and other expenses incurred by us may rise during a sustained depreciation of the Indian Rupee against USD or Euro.

Certain portions of our income and expenses are generated or incurred in other currencies and certain portions of our assets (trade receivables and cash and cash equivalents) and liabilities (trade payables and borrowings) are in other currencies, such as USD, Euro, GBP, AUD, JPY and SGD. Therefore, our exchange rate risk primarily arises from currency mismatches between our income and our expenditure which we seek to mitigate by matching income currency to expenditure currency to the extent possible.

We do not have a formal hedging policy and accordingly, may be subject to foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies.

Our Critical Accounting Policies

The significant accounting policies followed by us in the preparation of our Restated Summary Statement are set out below.

Judgements

In the process of applying our Company accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

Our Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Our Company based its assumptions and estimates on parameters available when the Restated Summary Statement were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of our Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that our Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by our Company.

Provision for expected credit losses of trade receivables and contract assets

Our Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, our Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. Our Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of

government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, our Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, our Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Foreign currency translation

Functional and presentation currency

The Restated Summary Statement are presented in Indian rupees, which is the functional and presentation currency of our Company.

Transactions and balances

In preparing the Restated Summary Statement of our Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a 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 items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Property, plant and equipment

Property, plant and equipment are initially recognized at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates.

The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and accumulated impairment losses, if any. capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Our Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Type of asset	Useful life of the Company	As per Schedule II of Act
Buildings	Refer Note 1 below	
Plant & Machinery	5-15 Years (refer note 2 below)	15 years
Tools & Equipment	5 Years (refer note 2 below)	10 years
Furniture & Fixtures	10 Years	10 years
Electrical Installations	10 Years	10 Years
Vehicles	10 Years	10 Years
Computers	3 Years	3 Years
Office Equipment	5 Years	5 Years

Notes:

1. Buildings constructed over leasehold land are depreciated over remaining lease term of land or life as specified under Schedule II of the Act, whichever is lower.

2. Our Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of Plant & Machinery and Tools & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

On transition to Ind AS (i.e. 1 April 2016), our Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized over their estimated useful life on a straight-line basis as follows:

Type of asset	Useful life
Computer software	3 years

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in 'other income' of statement of profit and loss when the asset is de-recognized.

On transition to Ind AS (i.e. 1 April 2016), our Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortization methods and useful lives are reviewed periodically at each financial year end.

Leases

Company as lessee

Our Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, our Company recognizes a right-of-use asset ("**ROU**") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, our Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment.

ROU asset	Useful lives
Leasehold land	19 years
Buildings	3-10 years

ii) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset 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).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current tax and deferred tax calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where our Company and its subsidiaries operate and generate taxable income.

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Summary Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/loss.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. MAT credit is recognized in accordance with tax laws in India as a deferred tax asset only to the extent that is probable 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. Our Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that our Company will pay normal income tax during the specified period.

In the situations where one or more units in our Company are entitled to a tax holiday under the Income tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, our Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Inventories:

Inventories are valued at the lower of cost and net realizable value.

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are valued in accordance with the below method of valuation.

(i) Raw materials & consumables: Valued at cost or net realizable value whichever is less. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

(ii) Stores and spares: Valued at cost. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

(iii) Work in progress & finished Goods: Valued at cost or net realizable value whichever is less. Costs includes direct material costs, wages and applicable overheads.

Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks. Our Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of taxes, non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of our Company are segregated based on the available information.

Provisions and contingent liabilities

Provisions

Provisions are recognized when our Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as an interest expense. Provisions are not recognized for future operating losses.

Provisions for onerous contracts are recognized when the expected benefits to be desired by our Company from a contract are lower than unavoidable costs of meeting to future obligations under the contract and are measured at the present value of lower than expected net cost of fulfilling the contract and expected cost of terminating the contract.

Contingencies

Contingent liability is disclosed for all possible obligation that arises from past events and whose existence 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) present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are not recognized in the Restated Summary Statement but discloses its existence in the Restated Summary Statement unless the probability of outflow of resources is remote. A contingent asset is neither recognized nor disclosed in the Restated Summary Statement.

Revenue recognition

Revenue from contracts with customers is recognised, on the basis of approved contracts, when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Our Company is the principal as it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally upon delivery of the goods. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the fair value of consideration which our Company expects to be entitled to in exchange for transferring distinct goods or 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 a receivable is recognised when it becomes unconditional. Variable consideration includes incentives, volume rebates, discounts etc., which is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Generally, our Company receives advances from few of its customers. Using the practical expedient in Ind AS 115, our Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to our Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Government grants/incentives

Government grants are recognized when there is a reasonable assurance that:

a) Our Company will comply with the conditions attached to them; and
b) The grant will be received.

Export entitlements from government authorities are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by our Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognized net of attributable expenses.

Employee benefit plans

Employee benefits include provided fund, employee's state insurance scheme, gratuity fund and compensated absences.

Post-employment obligations:

Defined contribution plans:

Contributions in respect of Employees Provident Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

Defined benefit plans

Gratuity:

Our Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plant assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Compensated absences:

The employees of our Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. Our Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. Our Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

Other short-term employee benefits and performance incentives expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders service.

Operating Segments

Our Company's Chief operating decision maker is the Managing Director and Chief Executive Officer who evaluates Company's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

Our Company is engaged in providing total electronic manufacturing solutions single operating segment "Total electronic manufacturing solutions" which is considered as the primary business segment.

Borrowing 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.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Financial instruments

a) Initial recognition:

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately hin profit or loss.

b) Subsequent Measurement:

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets:

Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income 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 are solely payments of principal and interest on the principal amount outstanding. Our Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(ii) Financial liability:

All financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by our Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that our Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Financial Liability subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item

c) Foreign exchange gains and losses:

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

d) De-recognition of financial assets and liabilities:

Financial assets

Our Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If our Company retains substantially all the risk and rewards of ownership of a transferred financial asset, our Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

Our Company derecognizes financial liabilities when, and only when, our Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

Determination of fair values

In determining the fair value of its financial instruments, our Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, our Company considers the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these Restated Summary Statement is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Impairment of assets

Financial assets

Our Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit and 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 as an impairment gain or loss in statement of profit and loss.

For trade receivables, our Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, our Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

Non-financial assets

Intangible assets, Intangible assets under development, property, plant and equipment and ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually. Our Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our Company's CGUs to which the individual assets are allocated.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the 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 recognized for the asset in prior years.

Earnings per share:

Our Company presents basic and diluted earnings per share ("**EPS**") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of our Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Principal Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our statement of profit and loss.

Our Income

Revenue from Operations

Our revenue from operations primarily consist of sale of goods and rendering of services.

The sale of products consist of sale of printed circuit boards, cable harness and box builds. Rendering of services includes billing for non-recurring expenditure (NRE) services i.e., one-time expenses incurred or services rendered in relation to a project, for which we invoice the relevant customer.

Other Income

The key components of our other income are: (i) interest income on fixed deposits with banks; (ii) export incentives; and (iii) foreign exchange gain (net)

Our Expenses

Our expenses primarily consist of the following:

- *Cost of materials consumed* consists of raw material and intermediaries, required for the manufacturing of finished goods.
- *Changes in inventories of finished goods and work-in-progress* are an adjustment of the opening and closing stock of finished goods and work-in-progress at the end of the period / fiscal;
- *Employee benefits expense* consists of salaries and wages including bonus, contribution to provident and other funds, share based payments from holding company employees and staff welfare expenses;
- *Finance costs* includes interest expense on borrowings from banks, related parties, others and lease liabilities;
- *Depreciation and amortization expense* comprises of depreciation expense on property, plant and equipment, right of use assets and amortization of intangible assets; and
- *Other expenses* primarily includes freight outwards, marketing expenses, expenses on power and fuel, stores and spares consumed and other miscellaneous expenses.

Our Tax Expenses

Elements of our tax expense are as follows:

- *Current tax:* Our current tax is the amount of tax payable based on the taxable profit for the year / period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961
- *Deferred tax:* Deferred tax is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Other Comprehensive Income / (loss) for the period / year

The other comprehensive income consists of items that will not be reclassified subsequently to the statement of profit or loss which consists of remeasurement of gains/(losses) on net defined benefit liability and income tax effect on items.

Total Comprehensive Income / (Loss) for the period / year)

Total comprehensive income / (loss) for the period / year consists of profit / (loss) for the period / year and total other comprehensive income / (loss) for the period / year.

Our Results of Operations

The following table sets forth a breakdown of our restated results of operations for the six months period ended September 30, 2022, and for the years ended March 31, 2022, 2021 and 2020, and each item as a percentage of our total income for the years indicated:

Particulars	Six months period ended September 30, 2022		Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income
Income								
Revenue from operations	3,402.70	97.76	7,205.33	98.91	6,280.28	98.61	4,570.87	98.32
Other income	78.08	2.24	79.51	1.09	88.83	1.39	78.25	1.68
Total income	**3,480.78**	**100.00**	**7,284.84**	**100.00**	**6,369.11**	**100.00**	**4,649.12**	**100.00**
Expenses								
Cost of materials consumed	2,594.31	74.53	5,552.88	76.23	4,778.52	75.03	3,881.79	83.50
Change in inventories of finished goods and work-in-progress	52.77	1.52	(113.26)	(1.55)	174.41	2.74	(232.69)	(5.01)
Employee benefits expense	239.35	6.88	516.52	7.09	468.63	7.36	440.95	9.48
Finance costs	144.80	4.16	219.75	3.02	207.70	3.26	181.94	3.91
Depreciation and amortisation expense	98.93	2.84	192.86	2.65	184.62	2.90	105.79	2.28
Other expenses	163.92	4.71	408.79	5.61	399.28	6.27	343.50	7.39
Total expenses	**3,294.08**	**94.64**	**6,777.54**	**93.04**	**6,213.16**	**97.55**	**4,721.28**	**101.55**
Profit / (Loss) before tax	**186.70**	**5.36**	**507.30**	**6.96**	**155.95**	**2.44**	**(72.16)**	**(1.55)**
Tax expense / (benefit)								
- Current tax	46.37	1.33	96.35	1.32	5.03	0.08	(0.96)	(0.02)
- Deferred tax	6.11	0.18	13.00	0.18	32.78	0.51	(4.16)	(0.09)
Total tax expense / (benefit)	**52.48**	**1.51**	**109.35**	**1.50**	**37.81**	**0.59**	**(5.12)**	(0.11)
Profit / (Loss) for the period / year	**134.22**	**3.86**	**397.95**	**5.46**	**118.14**	**1.85**	**(67.04)**	**(1.44)**
Other Comprehensive Income (OCI)								
Items that will not be reclassified subsequently to statement of profit or loss								
(a) Remeasurement gains/(losses) of net defined benefit liability	(0.99)	(0.03)	(4.47)	(0.06)	1.84	0.03	(14.26)	(0.31)
(b) Income tax relating to items that will not be classified to profit or loss	0.25	0.01	1.12	0.02	(0.52)	(0.01)	3.59	0.08
Total other comprehensive income / (loss) for the period / year, net of tax	**(0.74)**	**(0.02)**	**(3.35)**	**(0.05)**	**1.32**	**0.02**	**(10.67)**	**(0.23)**
Total comprehensive income / (loss) for the period / year, net of tax	**133.48**	**3.83**	**394.60**	**5.42**	**119.46**	**1.88**	**(77.71)**	**(1.67)**

Six months period ended September 30, 2022

Total income: Our total income was ₹3,480.78 million for the six months period ended September 30, 2022.

- *Revenue from sale of goods:* Our revenue from sale of goods was ₹3,374.87 million for the six months period ended September 30, 2022. Sale of goods primarily comprised of PCBA and box build products.

- *Other income:* Our other income was ₹78.08 million for the six months period ended September 30, 2022. Other income comprised mainly of foreign exchange gain (net) and interest income on bank deposits.

Total expenses: Our total expenses were ₹3,294.08 million for the six months period ended September 30, 2022.

- *Cost of materials consumed:* Our cost of materials consumed was ₹2,594.31 million for the six months period ended September 30, 2022. Cost of materials consumed primarily comprised of raw materials and intermediates such as consumables and packaging material used for manufacturing our products

- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finished goods and work-in-progress was ₹52.77 million for the six months period ended September 30, 2022.

- *Employee benefits expense*: Our employee benefits expense was ₹239.35 million for the six months period ended September 30, 2022. Employee benefits expense primarily comprised of salaries and wages, including bonus of ₹201.80 million.

- *Finance costs*: Our finance costs were ₹144.80 million for the six months period ended September 30, 2022. Our finance costs primarily comprised of interest on borrowings from banks of ₹54.19 million and interest on borrowings from related parties of ₹46.19 million.

- *Depreciation and amortisation expense*: Our depreciation and amortisation expense totaled ₹98.93 million for the six months period ended September 30, 2022. Depreciation and amortisation expense primarily comprised of depreciation of property, plant and equipment of ₹75.17 million.

- *Other expenses:* Our other expenses amounted to ₹163.92 million for the six months period ended September 30, 2022, which comprised primarily of expense of stores and spares consumed, freight outwards, repairs and maintenance on machinery and miscellaneous expenses.

Profit / (loss) before tax: As a result of the factors outlined above, our restated profit before tax was ₹186.70 million for the six months period ended September 30, 2022.

Tax expense

- *Current tax:* We recorded current tax expense of ₹46.37 million for the six months period ended September 30, 2022.

- *Deferred tax:* We recorded a deferred tax charge of ₹6.11 million for the six months period ended September 30, 2022.

Profit / (loss) for the period: As a result of the factors outlined above, our profit for the six months period ended September 30, 2022 was ₹134.22 million

Total other comprehensive income / (loss) for the period: Our total other comprehensive loss for the six months period ended September 30, 2022 was ₹0.74 million.

Total comprehensive income / (loss) for the period: As a result of the factors outlined above, our total comprehensive income for the year for the six months period ended September 30, 2022 was ₹133.48 million.

Fiscal 2022 compared to Fiscal 2021

Total income: Our total income increased by 14.38% from ₹6,369.11 million in fiscal 2021 to ₹7,284.84 million in fiscal 2022. This increase was primarily due to an increase in revenue from operations. This increase was mainly due to the following:

- *Revenue from sale of goods:* Our revenue from sale of goods increased by 14.67% from ₹6,239.96 million in fiscal 2021 to ₹7,155.57 million in fiscal 2022. This was primarily due to an increase in the volume of products sold, increase in revenue from the customers in the energy sector and an increase in revenue from customers in the aerospace and defence industry.

- *Revenue from rendering of services:* Our revenue from rendering of services increased by 23.41% from ₹40.32 million in fiscal 2021 to ₹49.76 million in fiscal 2022. This was primarily due to an increase in billing for non-recurring expenditure (NRE) services, i.e., one-time expenses incurred or services rendered in relation to a project, for which we invoice the relevant customer.

- *Other income:* Our other income decreased by 10.49% from ₹88.83 million in fiscal 2021 to ₹79.51 million in fiscal 2022. This decrease was primarily due to decrease in miscellaneous income from ₹9.81 million in fiscal 2021 to ₹0.33 million in fiscal 2022 and due to liabilities no longer required, written back of ₹ 14.55 million in fiscal 2021, which was partially offset by reversal of expected credit loss allowance (net) of ₹13.15 million in Fiscal 2022.

Total expenses: Our total expenses increased by 9.08% from ₹6,213.16 million in fiscal 2021 to ₹6,777.54 million in fiscal 2022. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹5,552.88 million in fiscal 2022, an increase of 16.21% from ₹4,778.52 million in fiscal 2021. The increase was mainly due to an increase in the volume of products sold.

- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finished goods and work-in-progress was ₹(113.26) million in fiscal 2022, as compared to ₹174.41 million in fiscal 2021. This was primarily due a decrease in finished goods by ₹71.71 million and an increase in work-in-progress by ₹184.97 million. The decrease in finished goods was due to an increase in sales which led to a decrease in closing stock of finished goods.

- *Employee benefits expense*: Our employee benefits expense totaled ₹516.52 million in fiscal 2022, an increase of 10.22% over ₹468.63 million in fiscal 2021. This increase was primarily due to a 15.05% increase in salaries and wages, including bonus from ₹414.83 million in fiscal 2021 to ₹477.28 million in fiscal 2022. This increase was due to an increase in the number of employees employed by us and annual compensation increments.

- *Finance costs*: Our finance cost totaled ₹219.75 million in fiscal 2022, an increase of 5.08% over our finance costs of ₹207.70 million in fiscal 2021. This increase was primarily due to an increase in other borrowing costs and in interest on borrowings from related parties and interest on lease liabilities.

- *Depreciation and amortisation expense*: Our depreciation and amortisation expense totaled ₹192.86 million in fiscal 2022, an increase of 4.46% over depreciation and amortisation expense of ₹184.62 million in fiscal 2021. This marginal increase was primarily due to an addition in the fixed assets such as buildings, plant and equipment, furnitures and fixtures and computers and intangible assets such as computer software.

- *Other expenses:* Our other expenses increased by 2.38% from ₹399.28 million in fiscal 2021 to ₹408.79 million in fiscal 2022. This was primarily due to an increase in (i) freight outwards from ₹101.05 million in fiscal 2021 to ₹133.14 million in fiscal 2022; (ii) marketing expenses from ₹62.78 million in fiscal 2021 to ₹68.98 million in fiscal 2022; (iii) stores and spares consumed from ₹19.44 million in fiscal 2021 to ₹29.05 million in fiscal 2022; (iv) repairs and maintenance on machinery from ₹18.44 million in fiscal 2021 to ₹28.22 million in fiscal 2022; and (v) miscellaneous expenses from ₹34.21 million in fiscal 2021 to ₹47.05 million in fiscal 2022. The increase in other expenses was in line with the increase in revenues from operations.

Profit / (loss) before tax: As a result of the factors outlined above, our profit before tax was ₹507.30 million in fiscal 2022 as compared to the profit before tax of ₹155.95 million in fiscal 2021.

Tax expense

- *Current tax:* We recorded a current tax expense of ₹96.35 million in fiscal 2022 as compared to a current tax expense of ₹5.03 million in fiscal 2021. This increase was primarily due to an increase in profit before tax.

- *Deferred tax:* We recorded a deferred tax expense of ₹13.00 million for fiscal 2022 as compared to a deferred tax expense of ₹32.78 million for fiscal 2021. This decrease was primarily due to reversal of timing differences.

Profit / (loss) for the year: As a result of the factors outlined above, our profit for the year was ₹397.95 million in fiscal 2022 as compared to the profit for the year of ₹118.14 million in fiscal 2021.

Total other comprehensive income / (loss) for the year: Our total other comprehensive loss for the year was ₹3.35 million in fiscal 2022 as compared to total other comprehensive income for the year ₹1.32 million in fiscal 2021. This was primarily due to actuarial loss on net defined benefit plans, such as gratuity.

Total comprehensive income / (loss) for the year: As a result of the factors outlined above, our total comprehensive income for the year in fiscal 2022 was ₹394.60 million as compared to a total comprehensive income for the year of ₹119.46 million in fiscal 2021.

Fiscal 2021 compared to Fiscal 2020

Total income: Our total income increased by 37.00% from ₹4,649.12 million in fiscal 2020 to ₹6,369.11 million in fiscal 2021. This increase was primarily due to an increase in revenue from operations. This increase was mainly due to the following:

- *Revenue from sale of goods:* Our revenue from sale of goods increased by 37.13% from ₹4,550.27 million in fiscal 2020 to ₹6,239.96 million in fiscal 2021. This was primarily due to an increase in the volume of products sold, increase in sale of box build products due to additional demands for Covid-19 test kits.

- *Revenue from rendering of services:* Our revenue from rendering of services increased by 95.73% from ₹20.60 million in fiscal 2020 to ₹40.32 million in fiscal 2021. This was primarily due to an increase in billing for non-recurring

expenditure (NRE) services, i.e., one-time expenses incurred or services rendered in relation to a project, for which we invoice the relevant customer.

- *Other income:* Our other income increased by 13.52% from ₹78.25 million in fiscal 2020 to ₹88.83 million in fiscal 2021. This increase was primarily due to an increase in export incentives from ₹31.01 million in fiscal 2020 to ₹46.88 million in fiscal 2021, and due to liabilities no longer required, written back of ₹14.55 million in fiscal 2021. The export incentives relate to sale of duty scrips received as part of export incentive scheme.

Total expenses: Our total expenses increased by 31.60% from ₹4,721.28 million in fiscal 2020 to ₹6,213.16 million in fiscal 2021. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹4,778.52 million in fiscal 2021, an increase of 23.10% from ₹3,881.79 million in fiscal 2021. The increase was mainly due to increase in our revenue from operations.

- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finished goods and work-in-progress was ₹(232.69) million in fiscal 2020, as compared to ₹174.41 million in fiscal 2021. This was primarily due an decrease in finished goods by ₹141.06 million and work-in-progress by ₹33.35 million.

- *Employee benefits expense*: Our employee benefits expense totaled ₹468.63 million in fiscal 2021, an increase of 6.28% over ₹440.95 million in fiscal 2020. This increase was primarily due to a 5.81% increase in salaries and wages, including bonus from ₹392.04 million in fiscal 2020 to ₹414.83 million in fiscal 2021 and an increase in the number of employees employed by us and increase in job work charges at our manufacturing facility in Hyderabad.

- *Finance costs*: Our finance cost totaled ₹207.70 million in fiscal 2021, an increase of 14.16% over our finance costs of ₹181.94 million in fiscal 2020. This increase was primarily due to an increase in interest on lease liabilities and interest on borrowings from related parties.

- *Depreciation and amortisation expense*: Our depreciation and amortisation expense totaled ₹184.62 million in fiscal 2021, an increase of 74.52% over depreciation and amortisation expense of ₹105.79 million in fiscal 2020. This increase was primarily due to an addition in the fixed assets such as buildings and plant and equipment for our manufacturing facility in Hyderabad.

- *Other expenses:* Our other expenses increased by 16.24% from ₹343.50 million in fiscal 2020 to ₹399.28 million in fiscal 2021. This was primarily due to an increase in (i) freight outwards from ₹64.81 million in fiscal 2020 to ₹101.05 million in fiscal 2021; (ii) marketing expenses from ₹38.64 million in fiscal 2020 to ₹62.78 million in fiscal 2021; (iii) foreign exchange loss (net) from ₹24.95 million in fiscal 2020 to ₹61.71 million in fiscal 2021; and (iv) power and fuel from ₹26.23 million in fiscal 2020 to ₹30.29 million in fiscal 2021. The increase in other expenses was in line with the increase in revenues from operations.

Profit / (loss) before tax: As a result of the factors outlined above, our profit before tax was ₹155.95 million in fiscal 2021 as compared to a loss before tax of ₹72.16 million in fiscal 2020.

Tax expense

- *Current tax:* We recorded a current tax expense of ₹5.03 million in fiscal 2021 as compared to a current tax credit of ₹0.96 million in fiscal 2020. This increase was primarily due to recording higher profit before tax in fiscal 2021.

- *Deferred tax:* We recorded a deferred tax expense of ₹32.78 million for fiscal 2021 as compared to a deferred tax credit of ₹4.16 million for fiscal 2020.

Profit / (loss) for the year: As a result of the factors outlined above, our profit for the year was ₹118.14 million in fiscal 2021 as compared to the loss for the year of ₹67.04 million in fiscal 2020.

Total other comprehensive income / (loss) for the year: Our total other comprehensive income for the year was ₹1.32 million in fiscal 2021 as compared to total other comprehensive loss for the year ₹10.67 million in fiscal 2020. This was primarily due to defined benefit obligation actuarial charges.

Total comprehensive income / (loss) for the year: As a result of the factors outlined above, our total comprehensive income for the year in fiscal 2021 was ₹119.46 million as compared to a total comprehensive loss for the year of ₹77.71 million in fiscal 2020.

Liquidity and Capital Resources

Capital Requirements

For Fiscals 2020, 2021 and 2022 and the six months period ended September 30, 2022, we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, principally with funds generated from operations and optimisation of operating working capital, with the balance principally met using external borrowings.

The following table sets forth information on cash and cash equivalents as at the dates indicated:

Particulars	As at September 30, 2022	As at March 31		
		2022	2021	2020
	(₹ in million)			
Cash and cash equivalents at the end of the period / year	818.08	768.59	146.69	234.58

The following table sets forth certain information concerning our cash flows for the six months period ended September 30, 2022, and the years ended March 31, 2022, March 31, 2021 and March 31, 2020 indicated:

Particulars	For six months period ended September 30, 2022	For year ended March 31, 2022	For year ended March 31, 2021	For year ended March 31, 2020
	(₹ in million)			
Net cash flow from operating activities	43.50	485.37	349.28	162.28
Net cash flow used in investing activities	(903.19)	(324.14)	(9.01)	(883.46)
Net cash flow from / (used in) financing activities	909.18	460.67	(428.16)	722.79

Net cash flow from operating activities

For the six months period ended September 30, 2022, our net cash flow from operating activities was ₹43.50 million which primarily comprised of (i) profit for the period of ₹134.22 million which was adjusted primarily for, among other things, finance costs of ₹132.59 million, depreciation and amortisation expense of ₹98.93 million and tax expense of ₹52.48 million (ii) changes in working capital; and (iii) income taxes paid, net. Changes in working capital primarily included, inter-alia, increase in inventories of ₹1,257.67 million, increase in trade payables of ₹574.85 million and provisions, other liabilities and other financial liabilities of ₹470.38 million. Net cash flow from operating activities also included income taxes paid, net of ₹15.44 million.

For fiscal 2022, our net cash flow from operating activities was ₹485.37 million which primarily comprised of (i) profit for the year of ₹397.95 million which was adjusted primarily for, among other things, finance costs of ₹190.61 million, depreciation and amortisation expense of ₹192.86 million and tax expense of ₹109.35 million (ii) changes in working capital; and (iii) income taxes paid, net. Changes in working capital primarily included, inter-alia, increase in inventories of ₹1,141.15 million and increase in other assets and other financial assets of ₹181.92 million and increase in provisions, other liabilities and other financial liabilities of ₹228.01 million, which is partially offset by decrease in trade receivables of ₹758.78 million. Net cash flow from operating activities also included income taxes paid, net of ₹62.04 million.

For fiscal 2021, our net cash flow from operating activities was ₹349.28 million which primarily comprised of (i) profit for the year of ₹118.14 million which was adjusted primarily for, among other things, finance costs of ₹188.47 million, depreciation and amortisation expense of ₹184.62 million and tax expense of ₹37.81 million (ii) changes in working capital; and (iii) income taxes paid, net. Changes in working capital primarily included, inter-alia, increase in trade receivables of ₹1,722.86 million and increase in trade payables of ₹820.72 million which is partially offset by decrease in inventories of ₹671.30 million and decrease in provisions, other liabilities and other financial liabilities of ₹123.21 million. Net cash flow from operating activities also included income taxes received, net of ₹0.73 million.

For fiscal 2020, our net cash flow from operating activities was ₹162.28 million which primarily comprised of (i) loss for the year of ₹67.04 million which was adjusted primarily for, among other things, finance costs of ₹160.47 million, depreciation and amortisation expense of ₹105.79 million and expected credits loss allowance, net of ₹83.68 million (ii) changes in working capital; and (iii) income taxes paid, net. Changes in working capital primarily included, inter-alia, increase in inventories of ₹436.43 million offset by a decrease in trade receivables of ₹596.68 million and a decrease in provisions, other liabilities and other financial liabilities of ₹332.52 million. Net cash flow from operating activities also included income taxes received, net of ₹2.57 million.

Net cash flow used in investing activities

For the six months period ended September 30, 2022, our net cash flow used in investing activities was ₹903.19 million which was primarily investment in equity instruments of ₹892.00 million.

For fiscal 2022, our net cash flow used in investing activities was ₹324.14 million which was primarily investment in deposits of ₹323.00 million and payment towards purchase of property, plant and equipment and intangible assets of ₹84.14 million which was partially offset by proceeds from maturity / withdrawal of deposits of ₹68.58 million.

For fiscal 2021, our net cash flow used in investing activities was ₹9.01 million which was primarily investment in deposits of ₹305.00 million and payment towards purchase of property, plant and equipment and intangible assets of ₹273.87 million which was significantly offset by proceeds from maturity / withdrawal of deposits of ₹536.80 million.

For fiscal 2020, our net cash flow used in investing activities was ₹883.46 million which was primarily payment towards purchase of property, plant and equipment and intangible assets of ₹829.68 million and investment in deposits of ₹318.55 million which was partially offset by proceeds from maturity / withdrawal of deposits of ₹255.12 million.

Net cash flow from / (used in) financing activities

For the six months period ended September 30, 2022, our net cash flow from financing activities was ₹909.18 million which primarily comprised of proceeds from rights issue of Equity Shares of ₹888.62 million, proceeds from current borrowings of ₹1,425.02 million which was partially offset by repayment of current borrowings of ₹1,252.25 million.

For fiscal 2022, our net cash flow from financing activities was ₹460.67 million which primarily comprised of proceeds from current borrowings of ₹2,551.91 million which was partially offset by repayment of current borrowings of ₹1,961.18 million.

For fiscal 2021, our net cash flow used in financing activities was ₹428.16 million which primarily comprised of repayment of current borrowings of ₹2,136.20 million which was partially offset by proceeds from current borrowings of ₹1,645.17 million.

For fiscal 2020, our net cash flow from financing activities was ₹722.79 million which primarily comprised of proceeds from current borrowings of ₹1,755.74 million and proceeds from non-current borrowings of ₹700.00 million which was partially offset by repayment of current borrowings of ₹1,421.06 million.

Capital Expenditure

The table below provides details of our net cash outflow on capital expenditure for the six months period ended September 30, 2022, and the financial years ended March 31, 2022, 2021 and 2020, respectively:

Particulars	For six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	(in ₹ million)			
Payment towards purchase of property, plant and equipment and intangible assets	(11.86)	(84.14)	(273.87)	(829.68)

Planned Capital Expenditure

Our planned capital expenditure for Fiscal 2023 shall be primarily used for capability enhancement, general infrastructure and replacement of plant and machinery and IT equipment.

Indebtedness

As of September 30, 2022, we had total borrowings amounting to ₹ 3,081.50 million, which consisted of secured working capital loans from banks, and unsecured intercorporate loans from our Promoter. For further details related to our indebtedness, see "*Financial Indebtedness*" on page 290.

Contractual Obligations

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as of September 30, 2022.

Particulars	As of September 30, 2022		
	(₹ in million)		
	Less than 1 year	1-2 years	2 years or more
Trade Payables	2,507.14	-	-
Other Financial Liabilities	68.23	35.23	88.08

Contingent Liabilities

As of September 30, 2022, there are no contingent liabilities as per Ind AS 37.

Off-Balance Sheet Transactions

We have not entered into any off-balance sheet transactions.

Market Risks

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. Our activities expose us to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

Commodity Price Risk

We are exposed to fluctuation in prices of semi conductors, passives, sheet metal, plastics and aluminium, cables and connectors and electronic integrated circuits which is used by our Company as raw-materials. The prices of these products are volatile which depends on the demand supply factors in the Indian and international markets. The volatility in the prices of these commodities can have significant impact on our Company's income and net profit.

We have a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. Our commodity risk is managed centrally through well-established trading operations and control processes.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our Company's debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. Our management monitors the movements in interest rates and wherever possible, reacts to material movements in such interest rates by restructuring its financing arrangements.

Currency Risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities. We have foreign currency trade payables and receivables and are therefore, exposed to foreign exchange risks. We do not have a formal hedging policy and our management undertakes natural hedging of foreign currency exposure to mitigate foreign exchange risks.

Liquidity risk

Liquidity risk is the risk that our Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to maintain a balance between continuity of funding and flexibility through the use of letter of credit and working capital limits. Our Company ensures it has sufficient cash to meet operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times on the basis of expected cash flow.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risks from our operating activities, which primarily include trade receivables and from our financing activities, including deposits with banks and other financial instruments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which our Company grants credit terms in the normal course of business. Our Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables. Our Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Total turnover of each major industry segment

Our Company's operations fall within a single operating "Electronic manufacturing solutions" which is considered as the primary reportable business segment.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge that have in the past or may in the future affect our business operations or financial performance which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Other than as described in "*Risk Factors*" and this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25 and 266, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenue or income from continuing operations.

Future Relationships Between Expenditure and Income

Other than as described in "*Risk Factors*" on page 25 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 266, to our knowledge there are no known factors which we expect will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in "*Our Business*" on page 151 there are no new products or business segments in which we operate.

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products. For further details, please refer to "*Risk Factors*" and "*Our Business*" beginning on pages 25 and 151, respectively.

Seasonality of Business

Our business is not seasonal in nature.

Significant Dependence on a Single or Few Customers or Suppliers

We do not have any significant dependence on a single or few suppliers. However, we are dependent on certain of our key customers. For further details, see "*Risk Factors – Our business is dependent on the sale of our products to certain key customers. The loss of any of our key customers or loss of revenue from sales to our customers could have a material adverse effect on our business, results of operations, financial condition and cash flows.*" on page 25.

Significant Economic Changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See "- *Significant Factors Affecting Our Results of Operations*" on page 267.

Significant Developments after September 30, 2022

To our knowledge, except as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2022, on the basis of amounts derived from our Restated Summary Statement, and as adjusted for the Issue. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 25, 210 and 266, respectively.

(₹ in million, unless otherwise specified)

Particulars	Pre-Issue as at September 30, 2022	As adjusted for the proposed Issue
Current borrowings (A)	2,210.32	[●]
Non-current borrowings (B)	871.18	[●]
Total borrowings (C=A+B)	**3,081.50**	[●]
Equity share capital (D)	29.37	
Other equity (E)	1,763.85	[●]
Total equity (F=D+E)	**1,793.22**	[●]
Ratio: Non-current borrowings / Total equity (B/F)	0.49	[●]

Notes:

1. Borrowings include both current and non-current and working capital loans.

FINANCIAL INDEBTEDNESS

Our Company avails certain credit facilities in the ordinary course of business to meet our working capital requirements and for general corporate purposes.

As of September 30, 2022, our outstanding borrowings aggregated to ₹ 3,081.50 million.

Our Board is authorised to borrow such sums of money as may be required for the purpose of the business of our Company as prescribed under applicable laws. For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing Powers of the Board*" on page 188.

The following table sets forth the details of the aggregate outstanding borrowings of our Company as on September 30, 2022:

(in ₹ million)

Category of borrowing	Sanctioned amount[(1)]	Outstanding amount as on September 30, 2022
Secured (A)		
Working Capital Loan	4,420.00	1,346.42
Packing Credit		194.34
Cash Credit		0.56
Others	NA	4.55
Total (A)	**4,420.00**	**1,545.87**
Unsecured (B)		
Term Loan	1000.00	995.63
Working Capital Loan	750.00	540.00
Total (B)	**1,750.00**	**1,535.63**
Total (A+B)	**6,170.00**	**3,081.50**

** As certified by N B T & Co., Chartered Accountants, pursuant to their certificate dated January 9, 2023.*
Notes:
(1) Sanctioned amount includes amount sanctioned for fund and non-fund based facilities.

Principal terms of the subsisting borrowings availed by our Company:

1. ***Interest:*** The interest rates of some of the external borrowings availed by our Company is mutually decided between our Company and the lender, at the time of drawal. For others, it ranges between 4.15% – 7.60%. Additionally, the interest rate for unsecured loans availed from the Promoter is 6.00%.

2. ***Tenor:*** The tenor of the working capital loans availed by our Company typically ranges from 7 days to 180 days.

3. ***Security:*** In terms of the borrowings availed by our Company where security needs to be created, security is created by, exclusive charge over book debts, finished goods, plant and machinery, corporate guarantee etc.

4. ***Pre-payment:*** Certain loans availed by our Company have pre-payment provisions which allow for pre-payment of the outstanding loan by serving notice to the lender and are subject to payment of such pre-payment penalties as may be prescribed. The lenders may charge a penal interest of up to 2.00 % over and above the interest rate for all overdues and delays of any monies payable (both principal and interest).

5. ***Re-payment:*** The repayment period for the working capital facilities availed by our Company is typically on a demand basis. The repayment period for the term loan which is availed in tranches starting from our Promoter is 16 quarterly instalments starting from the June, 2023, for each tranche.

6. ***Events of Default:*** The borrowing arrangements entered into by our Company contain standard events of default, including among others:

   (a) failure or inability to pay amount on due dates;

   (b) change in control of our Company, without prior approval from lender;

   (c) cessation or change in business;

   (d) incorrect or misleading information;

   (e) violation of any term of the relevant agreement or any other borrowing agreement;

   (f) if our Company qualifies to be classified as a 'sick' company under erstwhile regulations or is referred to the National Company Law Tribunal;

(g) bankruptcy or insolvency of our Company;

(h) breach of any representation or warranty as per the relevant agreement;

(i) any other event or circumstance which could have a material adverse effect on the lender; and

(j) default under any other loan arrangement entered into by the company.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

Consequences of occurrence of events of default: In terms of our facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

(a) terminate either whole or part of the facility;

(b) declare any or all amounts under the facility, either whole or in part, as immediately due and payable to the lender;

(c) enhance the applicable rate of interest;

(d) exercise their right to appoint a nominee on our Board to look after payment of the facility;

(e) redeem all or any part of the facility; or

(f) exercise such remedies as may be permitted or available to the lenders under law, including RBI guidelines.

7. ***Restrictive Covenants:*** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, including:

(a) change in capital structure of our Company;

(b) making any change in Company's ownership including the dilution of shareholding of promoters;

(c) make any amendments in our Company's constitutional documents including but not limited to MoA and AoA;

(d) change in management control of our Company;

(e) undertaking or permitting any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction including creation of any subsidiary or permitting any company to become a subsidiary of our Company;

(f) prior repayment of the credit facility;

(g) opening a new bank account;

(h) declare any dividends for any year except out of profits of the current year and subject to no default in payment/repayment obligation to the bank;

(i) undertaking any further capex; and

(j) utilize the facility for the purpose other than for which it is sanctioned.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

For the purpose of the Issue, our Company has obtained the necessary consent from our lender, as required under the relevant borrowing arrangements for undertaking activities relating to the Issue. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.*" on page 44.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes (in a consolidated manner); and (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to a resolution passed by our Board on January 5, 2023 in each case involving our Company, our Promoter and Directors (collectively, the "**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoter in the last five financial years, including any outstanding action.*

For the purpose of identification of material litigation in (iv) above, our Board has, pursuant to its resolution passed on January 5, 2023, considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed in this Draft Red Herring Prospectus:

All outstanding litigation, including any litigation involving the Relevant Parties, other than (i) outstanding criminal proceedings; (ii) outstanding actions by regulatory authorities and statutory authorities, (ii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years and (iv) any outstanding tax matters (direct or indirect), would be considered 'material' if:

(a) such matters involve the Relevant Parties, and the aggregate monetary amount involved in such individual litigation exceeds ₹3.98 million, which is 1% of the profit for the year of our Company as per the Restated Summary Statement for Fiscal 2022; and

(b) where the monetary liability is not quantifiable, the outcome of such legal proceedings could have a material adverse effect on the business, operations, cash flows, financial position, or reputation of our Company.

It is clarified that for the above purposes, pre-litigation notices received by the Relevant Parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action), have not been considered as litigation until such time that any of the Relevant Parties are impleaded as a defendant in the litigation proceedings before any judicial forum. We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Except as stated in this section, there are no material outstanding dues to creditors of our Company. For this purpose, our Board has, pursuant to its resolution passed on January 5, 2023 considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5% of the trade payables of our Company as of September 30, 2022 shall be considered as 'material'. Accordingly, as on September 30, 2022 any outstanding dues exceeding ₹ 125.36 million have been considered as material outstanding dues for the purposes of disclosure in this section.

*For outstanding dues to any micro, small or medium enterprise ("**MSME**"), the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.*

Litigation involving our Company

Litigation against our Company

Material Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by Regulatory and Statutory Authorities

Nil

Litigation by our Company

Material Civil Litigation

1. Our Company has filed an original suit dated August 18, 2018 before the Civil Judge (Senior Division) at Mysore against Brightway Communications ("**Defendant**"), seeking the recovery of ₹ 28.33 million allegedly due from the Defendants, under the terms of certain purchase orders entered into between our Company and the Defendant for the supply of certain products. The Defendant, pursuant to its written statement dated March 19, 2019, *inter alia*, denied the claims made by our Company and alleged that our Company had wrongly calculated the amount due from the Defendant by not accounting for, *inter alia*, cost of certain raw materials supplied by the Defendant. The matter is currently pending.

Criminal Litigation

Nil

Litigation involving our Promoter

Litigation against our Promoter

Material Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by Regulatory and Statutory Authorities

Nil

Litigation by our Promoter

Material Civil Litigation

1. Our Promoter has filed a writ petition dated July 10, 2015 ("**Petition**") before the High Court of Karnataka at Bangalore ("**High Court**") against Karnataka State Electronics Development Corporation Limited (the "**Respondent**") challenging, *inter alia*, the refusal of the Respondent to convey certain plots of land in favour of our Promoter and the demand of additional sale consideration from our Promoter, in alleged breach of a lease-cum-sale agreement dated June 9, 2005 executed between our Promoter and the Respondent ("**Lease Cum Sale Agreement**"). Pursuant to the Lease Cum Sale Agreement, certain plots of land (aggregating to two acres) situated in Bengaluru ("**Property**"), were allotted to our Promoter for implementing a computer software development project on the Property, upon the satisfactory completion of which and upon expiry of the lease period of six years, the Respondent was required to convey the Property by executing a sale deed in favour of our Promoter. Despite the completion of the project and payment of additional corner plot and land development charges by our Promoter, the Respondent refused to execute the sale deed as stipulated in the Lease Cum Sale Agreement. Further, the Respondent, by way of letter dated March 16, 2015, alleged that our Promoter had violated certain provision of the Lease Cum Sale Agreement, relating to a prior consent requirement for any change in name of our Promoter, and additionally by way of a letter May 26, 2015 ("**Letter**") demanded the payment of consideration at an increased allotment rate, within four months of the Letter, for execution of the sale deed. The Letter further specified that if our Promoter did not communicate a decision within two weeks, the allotment of the Property would stand cancelled. Our Promoter has, *inter alia*, sought the issuance of a writ: (i) quashing the Letter and (ii) directing the Respondents to execute a sale deed in favour of our Promoter, in respect of the Property. Our Promoter has also, by way of the Petition, sought interim relief of a stay on the operation of the Letter and consequently restraining the Respondent from taking any coercive actions against our Promoter, pending the disposal of the Petition. The High Court has, by way of an interim order dated July 16, 2015 stayed the proceedings. The matter is currently pending.

2. Our Promoter has filed a writ petition dated March 26, 2016 ("**Petition**") before the High Court of Telangana and Andhra Pradesh at Hyderabad ("**High Court**") against the Union of India, the State of Telangana and the Commissioner of Labour, Andhra Pradesh (the "**Respondents**") challenging the constitutional validity of the amendments made to the Payment of Bonus Act, 1965 (the "**Act**") pursuant to the Payment of Bonus (Amendment) Act, 2015 ("**Amendment Act**") on the grounds that, *inter alia*, (a) Section 2 of the Amendment Act is void and unconstitutional; and (b) the Amendment Act is violative of Article 14 of the Constitution of India. Our Promoter has, *inter alia*, sought the issuance of a writ declaring the Amendment Act, including its retrospective operation, as

unconstitutional and void and sought an interim relief of suspending the operation of the Amendment Act, pending disposal of the Petition. By way of interim order dated March 30, 2016 ("**Interim Order**"), the High Court has directed the Respondents to not take any coercive actions against our Promoter. The matter is currently pending.

Criminal Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Material Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by Regulatory and Statutory Authorities

Nil

Litigation by our Directors

Material Civil Litigation

Nil

Criminal Litigation

Nil

Litigation involving our Group Companies having a material impact on our Company

Nil

Tax Proceedings

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Directors and Promoter.

Nature of case	Number of cases	Amount involved (in ₹ million)
Proceedings involving the Company		
Direct Tax	2	13.70
Indirect Tax	2	2.46
Proceedings involving the Directors		
Direct Tax	3	0.26
Indirect Tax	-	-
Proceedings involving the Promoter		
Direct Tax	7	16.34[(2)(3)]
Indirect Tax	11	399.02[(1)]

** As certified by N B T & Co, Chartered Accountants, pursuant to their certificate dated January 9, 2023.*

1) *Excludes ₹ 2.47 million already paid by our Promoter and appropriated by way of order dated March 18, 2011 passed by the Commissioner of Customs and Central Excise Hyderabad – IV Commissionerate. Further, excludes ₹ 2.09 million already paid by our Promoter and appropriated by way of order dated April 30, 2020 passed by the Commissioner of Central Tax and Central Excise, Ranga Reddy Commissionerate.*
2) *Excludes ₹ 21.03 million and ₹29.78 million paid by our Promoter in tax arrears arising out of tax proceedings relating to rectification order dated February 8, 2018 and demand notice dated January 10, 2019, respectively.*
3) *Excludes total refund claims of ₹ 41.69 million to which our Promoter is entitled under various direct tax proceedings*.

Description of tax matters exceeding the Materiality Threshold

Material tax litigation involving our Company

Direct tax matters

1. Our Company has received a demand notice ("**Demand Notice**") and assessment order ("**Assessment Order**"), each dated February 9, 2021, demanding a sum of ₹ 12.00 million, alleging, inter alia, that our Company was liable to pay certain interest on our return income for the assessment year 2018-19. Our Company has filed an appeal dated March 9, 2021 before the Commissioner of Income Tax-Appeals NFAC ("**CIT-A**"), denying all the allegations and rejecting the demands made in the Assessment Order and Demand Notice. The matter is currently pending.

Material tax litigation involving our Promoter

Direct tax matters

1. Our Promoter received an assessment order ("**Assessment Order**") and demand notice ("**Demand Notice**"), each dated March 31, 2005, demanding a sum of ₹ 36.15 million, alleging, *inter alia*, that our Promoter had incorrectly claimed certain deductions with respect to: (a) Section 10-B of the Income Tax Act, 1961 ("**IT Act**"); (b) Section 80HHE of the IT Act; (c) consultancy fees paid outside India; and (d) depreciation on software, for the assessment year 2002-03. Our Promoter filed an appeal challenging the additions made by Assessment Order and Demand Notice, and by way of order dated August 14, 2013 ("**CIT-A Order**"), the Commissioner of Income Tax (Appeals) - III, Hyderabad ("**CIT-A**") upheld the Assessment Order. Consequently, our Promoter preferred an appeal against the CIT-A Order on the grounds that it had incorrectly upheld certain additions made to our Promoter's income, with respect to, *inter alia*: (a) Section 10-B of the IT Act; (b) Section 80HHE of the IT Act; (c) disallowance of depreciation on software; and (d) receipts accrued to our Promoter on forfeiture of share warrants. Income Tax Appellate Tribunal, Hyderabad ("**ITAT**") issued an order dated March 25, 2015 ("**ITAT Order**"), disposing off the additions to our Promoter's income made by the Assessment Order, except those made with respect to: (a) Section 10-B of the IT Act; and (b) disallowance of depreciation on software. Our Promoter preferred an appeal dated July 20, 2015 ("**High Court Appeal**") against the ITAT Order before the High Court of Judicature at Hyderabad ("**High Court**"), to the extent of it upholding the additions made to our Promoter's income pursuant to Section 10-B of the IT Act. Separately, consequent to the ITAT Order, our Promoter received a consequential order dated March 30, 2017 ("**Consequential Order**"). Further, our Promoter received a rectification order dated February 8, 2018 ("**Rectification Order**") and a demand notice dated February 8, 2018 ("**Rectified Demand Notice**") demanding a sum of ₹27.50 million, for the assessment year 2002-03.

   In respect of the above proceedings, our Promoter filed a declaration dated March 4, 2021 ("**VSV Declaration**") under the Direct Tax Vivad Se Vishwas Act, 2020 ("**VSV Act**"), for settlement of tax arrears and withdrawal of the pending litigation. By way of the VSV Declaration, our Promoter claimed a refund amounting to ₹ 6.04 million, on the grounds of already having paid a total of ₹ 21.03 million towards tax arrears, as against the amount payable for settlement under the VSV Act. Further, the High Court Appeal was subsequently disposed off by an order of the High Court dated February 2, 2021 ("**High Court Order**"), on the account of our Promoter opting for settlement under VSV Act. The Principle Commissioner of Income Tax-1, by way of its order January 4, 2022, has ordered the full and final settlement of tax arrears, under section 5 (2) of the VSV Act. The matter is currently pending.

2. Tele Atlas Private Limited ("**TEPL**") (now merged with our Promoter) received an assessment order ("**Assessment Order**") and demand notice ("**Demand Notice**"), each dated December 15, 2006, demanding a sum of ₹ 9.57 million, on the grounds that, *inter alia*, TEPL had allegedly determined the arm's length price incorrectly and claimed deductions incorrectly on international transactions while computing its income for the assessment year 2004-05. In addition to the Assessment Order and Demand Notice, TEPL also received a show cause notice dated December 15, 2006, alleging, *inter alia*, the furnishing of incorrect particulars. Our Promoter filed an appeal challenging the Assessment Order and by way order dated February 24, 2016, the Commissioner of Income Tax (Appeals)-2, Hyderabad ("**CIT-A**"), dismissed the appeal ("**CIT-A Order**"), upholding the computation of income arrived at and the tax amount demanded by the Assessment Order. Our Promoter had preferred an appeal challenging the CIT-A Order, on the grounds that, *inter alia*, the Assessment Order was void as it had been passed in the name of TEPL, a company which was no longer in existence. By way of order dated December 29, 2017 ("**ITAT Order**"), the Income Tax Appellate Tribunal ("**ITAT**"), partly allowed the appeal, on grounds that the computation of income required reconsideration and remanded the matter back to the relevant assessing officer. Pursuant to the ITAT Order, our Promoter received a demand notice dated January 10, 2019 ("**Demand Notice**"), demanding a sum of ₹20.22 million for the assessment year 2004-05, along with a show cause notice dated January 10, 2019, alleging the furnishing of incorrect particulars.

   In respect of the above proceedings, our Promoter filed a declaration dated January 28, 2021 ("**VSV Declaration**") under the Direct Tax Vivad se Vishwas Act, 2020 ("**VSV Act**"), for settlement of tax arrears and withdrawal of the

pending litigation. By way of the VSV Declaration, our Promoter claimed a refund amounting to ₹ 22.58 million, on the grounds of already having paid a total of ₹ 29.78 million towards tax, as against the amount payable for settlement under the VSV Act. The Principle Commissioner of Income Tax-1, by way of its order April 29, 2022, has ordered the full and final settlement of tax arrears, under section 5 (2) of the VSV Act. The matter is currently pending.

3. Our Promoter has received a demand notice ("**Demand Notice**") and assessment order ("**Assessment Order**"), each dated December 22, 2019, demanding a sum of ₹ 16.25 million, on the grounds of, *inter alia*, alleged non-compliance with applicable TDS provisions, for the assessment year 2017-18. Our Promoter has filed an appeal dated January 21, 2020 before the Commissioner of Income Tax-Appeals, Hyderabad - 1 ("**CIT-A**"), denying all the allegations and rejecting the demands made in the Demand Notice and Assessment Order. Our Promoter has also filed a rectification application dated December 30, 2019, seeking rectification of the income computed in the Assessment Order and by rectification order dated December 16, 2020 ("**Rectification Order**"), the Deputy Commissioner of Income Tax, Hyderabad ("**Deputy CIT**") adjudged that our Promoter was entitled to a refund amounting to ₹ 13.07 million. The matter is currently pending.

4. Our Promoter has received a demand notice ("**Demand Notice**") and assessment order ("**Assessment Order**"), each dated February 10, 2021, demanding a sum of ₹ 167.87 million, alleging, *inter alia*, that our Promoter had incorrectly claimed certain disallowances. Our Promoter has filed an appeal dated March 11, 2021 before the Commissioner of Income Tax (Appeals) NFAC ("**CIT-A**"), denying all the allegations and rejecting the demands made in the Demand Notice. Our Promoter has also filed a rectification application dated February 16, 2021, seeking rectification of the income computed in the Assessment Order and by rectification order dated May 4, 2021 ("**Rectification Order**"), the Deputy Commissioner of Income Tax, Hyderabad ("**Deputy CIT**") rectified the earlier amount demanded to ₹ 11.64 million. The matter is currently pending.

Indirect tax matters

1. Our Promoter has received a show cause notice dated February 22, 2010 ("**SCN 1**") from the Directorate General of Central Excise Intelligence, Chennai Zonal Unit, demanding payment of service tax amounting to ₹ 63.60 million, along with interest and penalty, payable for the period between April 19, 2006 and March 31, 2009, on the grounds of failure to correctly assess and pay service tax on taxable services received by them from persons outside India. Subsequently, our Promoter received another show cause notice dated October 12, 2010 ("**SCN 2**") from the Office of the Commissioner of the Commissioner of Customs and Central Excise Hyderabad – IV Commissionerate ("**CST-IV**"), demanding payment of service tax amounting to ₹ 12.27 million, along with interest and penalty, payable for the period between April 1, 2009 and March 31, 2010, on the grounds of failure to correct assess and pay service tax on manpower recruitment and supply agency services received by them form persons outside India . Our Promoter filed replies to SCN 1 and SCN 2 pursuant to letters dated April 28, 2010 and November 30, 2010, respectively, denying all the allegations and rejecting the demands made in SCN 1 and SCN 2. The CST-IV, by way of its order dated March 18, 2011 ("**CST-IV Order**") upheld the demands raised pursuant to SCN 1 and SCN 2 and ordered the payment of penalties amounting to ₹63.60 million with respect to the demand raised in SCN 1. Further, the CST-IV, pursuant to the CST-IV Order also ordered the appropriation of a total amount of ₹ 2.47 million, already paid by our Promoter towards the demand raised in SCN 1. Our Promoter preferred an appeal dated June 17, 2011 before the Customs Excise and Service Tax Appellate Tribunal, Bangalore ("**CESTAT**"), seeking to set aside the CST-IV Order and also filed an application dated June 21, 2011, seeking a stay on the CST-IV Order. The Customs Excise and Service Tax Appellate Tribunal, Hyderabad ("**CESTAT Hyderabad**"), by way of its order dated ("**CESTAT Order**") set aside, *inter alia*, the CST-IV Order, to the extent of the demand of ₹ 61.40 million along with interest, with respect to SCN 1 and ₹ 12.27 million, along with interest, in relation to SCN 2, as well as set aside the penalties imposed by the CST-IV Order. Aggrieved by the CESTAT Order, the CST-IV preferred an appeal before the Supreme Court of India. The matter is currently pending.

2. Our Promoter received a show cause notice dated October 24, 2018 ("**SCN**") from the Directorate General of GST Intelligence, Hyderabad Zonal Unit demanding payment of service tax amounting to ₹ 51.73 million, along with interest and penalty, payable for the period between April 2013 and June 2017, on the grounds of failure to correctly assess and pay service tax on the remuneration paid to their managing director, executive chairman and other directors. Our Promoter filed a reply to the SCN pursuant to letter dated January 24, 2019 addressed to the Commissioner of Central Tax and Central Excise, Ranga Reddy Commissionerate ("**CST**"), denying all the allegations and rejecting the demands made in the SCN. The CST, by way of its order dated April 30, 2020 ("**CST Order**") partially disposed of the SCN, confirming the demands raised in the SCN to the extent of ₹ 1.33 million, along with interest, and imposed penalties amounting to a total of ₹ 1.03 million. The CST Order also ordered the appropriation of a total amount of ₹ 2.09 million, already paid by our Promoter towards the demand and interest raised in the CST Order. Our Promoter preferred an appeal dated September 25, 2020 before the Customs, Excise and Service Tax Appellate Tribunal, Regional Bench, Hyderabad challenging the CST Order, to the extent of it imposing penalties amounting to of ₹ 1.03 million. Further, the Commissioner of Central Tax, Hyderabad filed an appeal dated December 30, 2020 before the Customs, Excise and Service Tax Appellate Tribunal, Hyderabad ("**CESTAT**"), seeking to challenge the CST Order

to the extent of it disposing off the demands raised in the SCN, along with the consequential interest and penalties stated in the SCN. The matter is currently pending.

3. Our Promoter received a show cause notice dated April 18, 2019 ("**SCN**") from the office of the Commissioner of Central Tax and Customs, Audit – I, Hyderabad ("**CST**") demanding the recovery of an amount aggregating to ₹ 180.82 million, along with interest and penalty, payable for the period between October 2014 and June 2017, on the grounds of irregular availment of CENVAT credit on (a) input services relating to services provided to foreign branches and (b) invoices, beyond the prescribed time limit. Our Promoter filed a reply to the SCN pursuant to letter dated April 20, 2021 addressed to the Commissioner of Central Tax, Customs, Central Excise and Service Tax, Ranga Reddy GST Commissionerate, Hyderabad ("**CST-GST**"), denying all the allegations and rejecting the demand made in the SCN. The matter is currently pending.

4. Our Promoter has filed an appeal dated February 25, 2014 before the Commissioner of Customs, Central Excise and Service Tax (Appeals – II), Hyderabad ("**CST**") against an order of the Assistant Commissioner of Service Tax, Hyderabad – IV Commissionerate, Hyderabad dated December 31, 2013 ("**Assistant CST**") ("**Assistant CST Order**"), whereby refund claims of CENVAT credit, filed by our Promoter in respect of various input tax services provided by them, were rejected to the extent of ₹ 17.86 million. The CST, by way of its order dated March 20, 2014, upheld the portion the Assistant CST Order in respect of its rejection of our Promoter's CENVAT credit refund claims amounting to ₹ 17.86 million ("**CST Order**"). Our Promoter preferred an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Hyderabad ("**CESTAT**"), challenging the CST Order. The matter is currently pending.

Other matters

Our Company has made an application dated January 9, 2023 before the RoC, seeking condonation of delay in filing eForm MGT-14 with the Registrar of Companies, Karnataka at Bengaluru pursuant to the provisions of Section 233 read with Section 117 of the Companies Act, 2013, in respect of the special resolution passed by the members at the extra-ordinary general meeting held on February 21, 2018 approving the scheme of amalgamation with Techno Tools Precision Engineering Private Limited. The approval of the regulatory authority is awaited as on the date of this Draft Red Herring Prospectus.

Outstanding dues to Creditors

As of September 30, 2022, our Company has 1093 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹ 2,507.15 million. Further, our Company owes an amount of ₹ 29.96 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

In accordance with the policy of materiality for identification of material outstanding dues to creditors considered and adopted by our Board pursuant to its resolution passed on January 5, 2023, a creditor of our Company shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus if the amounts due to such creditor exceed 5% of the trade payables of our Company based on the Restated Summary Statement as of September 30, 2022, which is ₹125.36 million i.e., creditors of our Company to whom our Company owes an amount exceeding ₹ 125.36 million have been considered material. As of September 30, 2022, there are three material creditors to whom our Company owes an aggregate amount of ₹ 631.16 million.

Details of outstanding dues owed to material creditors, MSMEs and other creditors as of September 30, 2022 are set out below:

Types of Creditors	Number of Creditors	Outstanding dues as of September 30, 2022 (in ₹ million)
Micro, Small and Medium Enterprises	70	29.96
Material Creditors	3	631.16
Other Creditors (including Provisions)	1,020	1,846.03
Total	**1,093**	**2,507.15**

** As certified by N B T and Co, Chartered Accountants, by way of their certificate dated January 9, 2023.*

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at www.cyientdlm.com/investors.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.cyientdlm.com would be doing so at their own risk.

Material Developments

There have not arisen, since the date of the last financial statement disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of material and necessary approvals, consents, licenses and registrations from various governmental, statutory and regulatory authorities required to be obtained by us for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company can undertake the Issue and its business activities, as applicable. Except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In addition, certain Material Approvals of our Company may have lapsed or expired or may lapse in their normal course and our Company has either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable requirements and procedures. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the applicable regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 171.*

I. Incorporation details

Our Company

(a) Certificate of incorporation dated June 30, 1993, issued to our Company, under the name '*Rangsons Electronics Private Limited*' by the Registrar of Companies, Karnataka at Bengaluru.

(b) Fresh certificate of incorporation dated January 18, 2017 issued by the Registrar of Companies, Karnataka at Bengaluru to our Company, under the name '*Cyient DLM Private Limited'*.

(c) Certificate of registration of regional director order for change of State dated July 3, 2020, issued by the RoC pursuant to a change of State of the registered office from the State of Karnataka to the State of Telangana.

(d) Fresh certificate of incorporation dated December 13, 2022 consequent upon change of name on conversion to a public limited company was issued by the RoC.

(e) The CIN of our Company is U31909TG1993PLC141346.

II. Approvals in relation to the Issue

For details regarding the approvals and authorizations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page 303.

III. Material approvals in relation to our Company

(a) ***Mysuru facility***

Material approvals in relation to business operations:

1. License to work a factory from the government of Telangana under the Factories Act, 1948 and rules made thereunder, which is valid up to December 31, 2024.

2. Approval in relation to the storage of compressed gas (liquid nitrogen) in pressure vessels from Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, Government of India, under the Indian Explosives Act, 1884 and rules made thereunder, which is valid up to September 30, 2024.

3. Registration for operation of the PCB Analyzers (XD 7600NT Ruby) issued by the Radiological Safety Division, Atomic Energy Regulatory Board, Government of India under Section 16 of the Atomic Energy Act, 1962 read in conjunction with Rule 3 of the Atomic Energy (Radiation Protection) Rules, 2004, which is valid up to November 22, 2024.

4. Registration for operation of the PCB Analyzers (TR7600 SII) issued by the Radiological Safety Division, Atomic Energy Regulatory Board, Government of India under Section 16 of the Atomic Energy Act, 1962 read in conjunction with Rule 3 of the Atomic Energy (Radiation Protection) Rules, 2004, which is valid up to February 10, 2025.

5. Certificate of stability from a qualified structural engineer under Rule 3(8) of the Karnataka Factories Rules, 1969.

6. Possession certificate from the Karnataka Industrial Areas Development Board.

7. Approval for commissioning the electrical installation under Regulation 43 of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 issued by Office of the Additional Chief Electrical Inspector, Department of Electricity, Government of Karnataka.

8. Approval for commissioning the electrical installation under Regulation 32 of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 issued by Office of the Additional Chief Electrical Inspector, Department of Electricity, Government of Karnataka.

(b) ***Bengaluru facility***

Material approvals in relation to business operations:

1. Consent order issued by Karnataka State Pollution Control Board for exemption of white category industry under the provisions of the Water (Prevention and Control of Pollution Act), 1974 and Air (Prevention and Control of Pollution) Act, 1981, issued in the name of Techno Tools Precision Engineering Private Limited read with intimation letter dated May 3, 2018, pursuant to which our Company intimated the Karnataka State Pollution Control Board about our Company's merger with Techno Tools Precision Engineering Private Limited.

2. License to work a factory from the government of Telangana under the Factories Act, 1948 and rules made thereunder, which is valid up to December 31, 2023.

(c) ***Hyderabad facility***

Material approvals in relation to business operations:

1. License to work a factory from the government of Telangana under the Factories Act, 1948 and rules made thereunder, which is valid up to December 31, 2023.

2. Consent order issued by the Telangana State Pollution Control Board for establishment to the industry to manufacture 'assembled electrical and electronic parts' under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.

3. Consent order issued by the Telangana State Pollution Control Board for existing/new or altered discharge of sewage and/or trade effluents/outlet under Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and authorization/renewal of authorization under Rule 5 of the Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016, which is valid up to January 31, 2025.

4. No-objection certificate for height clearance issued by and as per the provisions of Government of India (Ministry of Civil Aviation) order GSR751(E) (dated September 30, 2015) for safe and regular aircraft operations, which is valid up to March 31, 2027.

5. Approval for energizing the electrical installation under Regulation 32 of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 issued by Regional Inspectorial Organization, Central Electricity Authority, Government of India, the next inspection for which is due on February 1, 2025.

6. Approval for energizing the electrical installation under Regulation 43 of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 issued by Regional Inspectorial Organization, Central Electricity Authority, Government of India, the next inspection for which is due on April 26, 2024.

7. Occupancy certificate for completion of building and the building being fit for occupation from Notified Area Committee for Hyderabad, International Airport Area under Rule 26 of Andhra Pradesh Building Rules, 2012.

8. Approval from Office of Development Commissioner, Vishakhapatnam Special Economic Zone, Ministry of Commerce and Industry, Government of India to set up a special economic zone unit for manufacture in M/S GMR Hyderabad Aviation SEZ Limited, which is extended till February 10, 2025.

9. Certificate of registration as commercial establishment to our registered office under the Telangana Shops and Establishment Act, 1988.

IV. Labour and Employment related approvals of our Company

(a) Registration for employees' provident fund with the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with code number KN/22144, read with application for changing name from 'Rangsons Electronics Private Limited' to 'Cyient DLM Private Limited' made to Provident Fund Commissioner, Mysuru on February 14, 2017.

(b) Registration for employees' insurance with the relevant regional office of the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948 with code number 73000125020000910 for our Mysuru facility, with subcode 52730125020010910 for our Hyderabad facility and subcode 53730125020010910 for our Bengaluru facility.

(c) Registrations under the Contract Labour (Regulation and Abolition) Act, 1970, issued by office of the Development Commissioner, Vishakhapatnam Special Economic Zone, Ministry of Commerce and Industry, Government of India for our Hyderabad facility; and issued by Office of Assistant Labour Commissioner, Mysuru, Department of Labour for our Mysuru facility.

V. Tax related approvals of our Company

(a) Permanent account number AAACR8750R, issued by the Income Tax Department, Government of India.

(b) Tax deduction account number BLRR0207E, issued by the Income Tax Department, Government of India.

(c) Professional tax registration certificates, as issued under applicable professional tax legislations.

(d) GST identification number 36AAACR8750R1ZM under the Central Goods and Services Act, 2017 for our facility in Telangana.

(e) GST identification number 29AAACR8750R1ZH under the Central Goods and Services Act, 2017 for our facilities in Karnataka.

VI. Certain other material approvals of our Company

(a) The Importer-Exporter Code of our Company is 0793004039 issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

VII. Material approvals applied for but not received

Except the trademark application as disclosed in "– *Intellectual Property*" on page 301 and except as set out below, there are no material approvals which our Company has applied for, but which have not been received.

(a) Application dated November 2, 2022, for renewal of the consent order issued by the Karnataka State Pollution Control Board for operation of the plant and discharge of emissions under Section 25(4) of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981, for our Mysuru facility, which expired on December 31, 2022.

VIII. Material approvals expired and renewal yet to be applied for

Except as set out below, as on the date of this Draft Red Herring Prospectus, there are no material approvals that have expired and have not been renewed by our Company.

(a) Authorisation order issued by the Karnataka State Pollution Control Board for generation, reception and any other use of hazardous or other wastes or both on the premises of the Mysuru Facility under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which expired on December 31, 2022.

IX. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company was required to obtain or apply for, but which has not been obtained or been applied for.

X. Intellectual property

(a) Our Company has made six applications dated December 9, 2022 to the Registrar of Trade Marks, Trade Marks Registry, Chennai for registration of the trademark "Cyient DLM" (word and logo) in classes 9, 35 and 42 under the Trade Marks Act, 1999.

(b) Our Company has made applications dated January 2, 2023 for registration of the trademark “Cyient DLM” (word and logo) in classes 9, 35 and 42 under the Madrid Protocol.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at its meetings held on December 13, 2022 and our Shareholders have approved the Issue pursuant to a special resolution passed at the EGM held on December 14, 2022 under Section 62(1)(c) of the Companies Act.

Our Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated January 9, 2023.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other governmental authorities

Our Company, Promoter, Promoter Group members, Directors and the persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing the capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Company, our Promoter or our Directors have been declared as Fraudulent Borrowers.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business. Further, no outstanding action has been initiated against any of our Directors by SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable to each of them, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to makean 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 did not satisfy one of the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations, i.e., our Company had more than 50% of our net tangible assets in monetary assets and is therefore required to allot not less than 75% of the Net Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoter, members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoter or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoter, or Directors is a Wilful Defaulter or Fraudulent Borrower;

(iv) None of our Promoter or Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except employee stock options granted pursuant to the ESOP 2022, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus, see "*Capital Structure - ESOP* 2022" beginning on page 78;

(vi) Our Company along with Registrar to the Issue has entered into tripartite agreements dated December 13, 2022 and December 22, 2022 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoter are in dematerialised form; and

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

We are eligible to undertake the Issue as per Rule 19(2)(b) of the SCRR read with Regulations 6(2) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not less than 75% of the Net Issue to QIBs, 5% of which shall be allocated to Mutual Funds exclusively. Further, not more than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED AND JM FINANCIAL LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 9, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY AND ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website, www.cyientdlm.com, or the respective websites of our Promoter, Promoter Group or any affiliate of our Company would be doing so at their own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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 Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its respective affiliates or associates or group companies 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, its respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDA, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state applicable laws of the United States, and unless so registered, may not be offered or sold within the United States,

except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws or such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with the RoC.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] 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 is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. 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 such time prescribed by SEBI.

If our Company does not allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Issue, Bankers to our Company, the BRLMs, the Registrar to the Issue, independent chartered accountants, Frost & Sullivan in their respective capacities, have been obtained; and (b) the Syndicate Members, the Banker(s) to the Issue/Escrow Collection Bank(s)/ /Sponsor Bank(s)/Refund Bank(s)to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Expert to the Issue

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

Our Company has received written consent dated January 9, 2023 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "Expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated January 5, 2023 on our Restated Summary Statement; and (ii) their report dated January 5, 2023 on the statement of special tax benefits available to the Company included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated January 9, 2023 from, N B T and Co, Chartered Accountants, the independent chartered accountants to include its name as an "expert" under Section 2(38) of the Companies Act, as required

under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and other applicable provisions of the Companies Act in its capacity as an independent chartered accountant, in respect of the certificates dated January 9, 2023, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, the chartered engineer, namely M. S. Balu (membership number: M-117554/2) has pursuant to his certificate dated January 8, 2023 ("**ICE Certificate**") given consent to our Company to include his name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in its capacity as an chartered engineer, in relation to the ICE Certificate certifying, *inter alia*, installed capacity, actual production and capacity utilization at the manufacturing facilities of our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Except as disclosed in "*Capital Structure*" on page 69, our Company has not made any public, rights or composite issues during the three years preceding the date of this Draft Red Herring Prospectus. Our Company does not have any listed group company or any subsidiaries. Our Company does not have any associate companies.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/rights issue of our Company

Our Company has not made any public issue during the five years immediately preceding the date of this Draft Red Herring Prospectus. Further, except as stated below, our Company has not made any rights issues during the five years preceding the date of this Draft Red Herring Prospectus:

Year of Issue	Closing date	Date of allotment	Date of refunds	Issue price per Equity Share (in ₹)	Date of listing on the stock exchange(s)	Premium (in ₹)
2022	September 5,2022	September 9, 2022	N.A.	566.00	N.A.	556.00

Further, our Company has not experienced any shortfall or delays in the achievement of objects.

Performance vis-à-vis objects – Public/rights issue of the listed Subsidiaries/ listed Promoter of our Company

As on date of this Draft Red Herring Prospectus, our listed Promoter has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our Company has no subsidiaries.

Price information of past issues handled by the BRLMs

A. Axis Capital Limited

1. Price information of past issues handled by Axis Capital Limited:

Sl. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Elin Electronics Limited(1)	4,750.00	247.00	30-Dec-22	243.00	-	-	-
2.	Landmark Cars Limited*(1)	5,520.00	506.00	23-Dec-22	471.30	-	-	-
3.	Uniparts India Limited(1)	8,356.08	577.00	12-Dec-22	575.00	-	-	-
4.	Keystone Realtors Limited(1)	6,350.00	541.00	24-Nov-22	555.00	-12.26%, [-3.90%]	-	-
5.	Bikaji Foods International Limited#(1)	8,808.45	300.00	16-Nov-22	321.15	+28.65%, [-0.29%]	-	-
6.	DCX Systems Limited(1)	5,000.00	207.00	11-Nov-22	286.25	+17.10%, [+0.63%]	-	-
7.	Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)$(2)	7,550.00	330.00	26-Sep-22	450.00	+31.92%, [+3.76%]	+10.68%, [+4.65%]	-
8.	Tamilnad Mercantile Bank Limited(1)	8,078.40	510.00	15-Sep-22	510.00	-8.43%, [-3.36%]	+2.14%, [+4.34%]	-
9.	Paradeep Phosphates Limited(1)	15,017.31	42.00	27-May-22	43.55	-10.24%, [-3.93%]	+27.50%, [+7.65%]	+31.19%, [+11.91%]
10.	Prudent Corporate Advisory Services Limited^(1)	4,282.84	630.00	20-May-22	660.00	-20.71%, [-5.46%]	-2.10%, [+10.92%]	+26.23%, [+13.89%]

Source: www.nseindia.com; www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
** Offer Price was ₹ 458.00 per equity share to Eligible Employees*
Offer Price was ₹ 285.00 per equity share to Eligible Employees
$Offer Price was ₹ 299.00 per equity share to Eligible Employees
^Offer Price was ₹ 571.00 per equity share to Eligible Employees

Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. 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.

c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023*	11	279,285.39	-	1	4	-	2	1	-	1	-	-	2	-
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2

Source: www.nseindia.com; www.bseindia.com, as applicable
** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. JM Financial Limited

1. Price information of past issues handled by JM Financial Limited:

Sl. 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.	Elin Electronics Limited[#]	4,750.00	247.00	December 30, 2023	243.00	Not Applicable	Not Applicable	Not Applicable
2.	Uniparts India Limited[#]	8,356.08	577.00	December 12, 2022	575.00	Not Applicable	Not Applicable	Not Applicable
3.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	Not Applicable	Not Applicable
4.	Bikaji Foods International Limited[#8]	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	Not Applicable	Not Applicable
5.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	Not Applicable	Not Applicable
6.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	Not Applicable	Not Applicable
7.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	Not Applicable	Not Applicable
8.	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	31.92% [3.76%]	10.68% [4.65%]	Not Applicable
9.	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%]
10.	Life Insurance Corporation of India[#7]	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]

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 Rs. 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of Rs. 60 per Equity Share was offered to Policy holders.*
8. *A discount of Rs. 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *Not Applicable – Period not completed.*

2. Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023	11	3,16,770.53	-	1	1	-	5	2	-	1	-	1	1	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

Source: www.nseindia.com; www.bseindia.com, as applicable

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	JM Financial	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, UPI ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The 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 BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 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 on the bidding platform of the Stock Exchanges till the date of actual unblock

Scenario	Compensation amount	Compensation period
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 62.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has not received investor complaints during the period of three years preceding the date of this this Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES. Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Parvati K R, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see "*General Information*" on page 61.

Our Company has constituted a Shareholders/Investor Grievances Committee comprising Vanitha Datla (*Chairperson*), Venkat Rama Mohan Reddy Bodanapu and Ganesh Venkat Krishna Bodanapu as members. For details, see "*Our Management*" on page 184.

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

Our Company has not applied for or received any exemption from complying with any provisions of SEBI ICDR Regulations.

Other confirmations

Any person connected with the Issue 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 an application in the initial public offer, except for fees or commission for services rendered in relation to the Issue.

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

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities law.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Issue

The Issue comprises of a Fresh Issue by our Company.

Expenses for the Issue shall be borne by our Company in the manner specified in "*Objects of the Issue - Issue Related Expenses*" on page 89.

Ranking of Equity Shares

The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting, the right to receive dividend, if any, and other corporate benefits. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 344.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 209 and 344, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹10 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Price Band will be decided by our Company, in consultation with the BRLMs and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in all editions of [●], an English national daily newspaper, [●], all editions of the Hindi national daily newspaper and [●], all editions of the Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 344.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated December 13, 2022 amongst our Company, NSDL and Registrar to the Issue
- Tripartite agreement dated December 22, 2022 amongst our Company, CDSL and Registrar to the Issue

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Issue Procedure*" on page 324.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Issue.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Issue Programme

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

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

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

(3) UPI mandate end time shall be at 5:00 pm on Bid/Issue Closing Date, i.e. on [●].

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. 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, issued by SEBI, 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 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/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company 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/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. 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.

In terms of the UPI Circulars, in relation to the Issue, 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/Issue Closing Date, identifying non-adherence to timelines and processes and ana analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 5:00 pm on Bid/Issue Closing Date, i.e. on [●].*

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs, Eligible Employees under the Employee Reservation Portion and Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by UPI Bidders and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

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.

The Registrar to the Issue 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/ Issue Opening Date till the Bid/ Issue 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 a confirmation in respect thereof to the BRLMs and the Registrar to the Issue on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Working Days. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

In case of any 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 shall be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to it being at least 105% of the Floor Price.

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

In case of 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.

The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change to any revised circulars issued by the SEBI to this effect

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Issue Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Issue Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Issue size, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Issue portion is subscribed; and

(ii) once Equity Shares have been Allotted as per (i), such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Issue portion.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, minimum Promoter's contribution and the Anchor Investor lock-in and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Description of Equity Shares and Terms of Articles of Association*" on page 344.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Issue, after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company withdraw the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue/ offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE STRUCTURE

Initial public offer of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share aggregating up to [●] million by our Company.

The Issue may comprise of a Net Issue of up to [●] Equity Shares, Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million and Shareholder Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million. The Employee Reservation Portion and Shareholder Reservation Portion shall not exceed [●]% and [●]% of our post-Issue paid-up Equity Share capital, respectively. The Issue and the Net Issue shall constitute [●]% and [●]%, respectively of the post-Issue paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees[#]	Eligible Cyient Shareholders[##]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation [(2)]	Up to [●] Equity Shares	Up to [●] Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Issue paid-up Equity Share capital of our Company	The Shareholder Reservation Portion shall constitute up to [●]% of the Issue Size	Not less than 75% of the Net Issue shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Net Issue or Issue less allocation to QIB Bidders and RIBs shall be available for allocation out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders	Not more than 10% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate[#]; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of the Employee Discount). In the event of undersubscription in the Employee	Proportionate For details, see "*Issue Procedure*" beginning on page 324	Proportionate as follows: 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	The allotment of specified securities to each Non-Institutional Bidder 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	The allotment to each RIB 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 "*Issue*

Particulars	Eligible Employees[#]	Eligible Cyient Shareholders[##]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding 500,000		available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only	basis in accordance with the conditions specified in the SEBI ICDR Regulations, subject to: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹ 200,000 and up to ₹ 1,000,000. b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the categories specified in A) or B) above, may be allocated to Bidders in the other category.	*Procedure*" on page 324.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter	[●] 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 and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, if any	Such number of Equity Shares and in multiples of [●] Equity Shares, such that the Bid Amount does not exceed the Shareholder Reservation Portion, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, (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 Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism.				
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter				
Mode of Allotment	Compulsorily in dematerialised form				
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter				
Trading Lot	One Equity Share				

Particulars	Eligible Employees[#]	Eligible Cyient Shareholders[##]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Who can apply[(4)]	Eligible Employees such that the Bid Amount does not exceed ₹500,000	Individuals and HUFs who are the public equity shareholders of our Promoter (excluding such persons who are not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Funds set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, 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	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(3)] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form				

* *Assuming full subscription in the Issue.*

Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of the 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. 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. 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 Issue. In case of under-subscription in the Net Issue, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion can also Bid under the Net Issue and Employee Reservation Portion (if eligible) and such Bids shall not be considered as multiple Bids subject to applicable limits. To clarify, Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion above ₹ 200,000 can Bid in the Net Issue for up to ₹ 200,000 (net of the Shareholder Discount) and Employee Reservation Portion (if eligible and subject to applicable limits), otherwise such Bids shall be treated as multiple Bids. If an Eligible Cyient Shareholder is Bidding in the Shareholder Reservation Portion up to ₹ 200,000, application by such Eligible Cyient Shareholder in the Retail Portion or Non-Institutional Portion and Employee Reservation Portion (if eligible and subject to applicable limits) shall not be treated as multiple Bids. Therefore, Eligible Cyient Shareholders bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Issue and Employee Reservation Portion (if eligible and subject to applicable limits) and such Bids shall not be treated as multiple Bids.

(1) Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. In the event of under-subscription

or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Issue Procedure" on page 324.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

(3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company,, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

(5) Subject to valid bids being received at or above the Issue 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 combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws.

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Issue. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹ 200,000 in value.

Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 in value. Eligible Employees bidding in the Employee Reservation Portion can also Bid under the Net Issue and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details, see "- *Terms of the Issue*" on page 315.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. For further details, see "- *Terms of the Issue*" on page 315.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release 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.

ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid cum Application Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall 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 Draft Red Herring Prospectus*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, 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 money to four days.

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail Individual Bidders, QIBs, Non-Institutional Bidders and other reserved categories 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. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Subsequently, 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).

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus. Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and 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 Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of or any other manner as introduced in accordance with applicable laws to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Further, the Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹ [●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed [●]% of our post-Issue paid-up equity share capital subject to valid Bids being received at or above the Issue Price. Additionally, up to [●] Equity Shares, aggregating up to ₹[●] million may be made available for allocation on a proportionate basis only to Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, under-subscription, if any, in the Employee Reservation Portion or the Shareholder Reservation Portion, may be added to other reserved category and the unsubscribed portion, if any, after such inter-se adjustments among such reserved categories shall be added to the Net Issue.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue.

Investors must ensure that their PAN is linked with Aadhaar are in compliance with the notification issued by the Central Board of Taxation dated February 13, 2020 and the press release dated June 25, 2021.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in shall be advertised in all editions of [●], the English national daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of [●], the Telugu daily newspaper(Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation on or prior to the Bid/Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint certain of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

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.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form shall be made available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) are required to participate in the Issue only through the ASBA process. Anchor Investors shall not be permitted to participate in the Issue through the ASBA process. The UPI Bidders shall Bid in the Issue through UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that do not contain the UPI ID are liable to be rejected.

UPI Bidders (using UPI Mechanism) shall be required to provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall be required to ensure that the Bids are being made on ASBA Forms bearing the stamp of the Designated Intermediary, are submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp will be liable to be rejected. UPI Bidders using UPI Mechanism, shall be required to submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account are required to submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. The ASBA 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.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
FPIs applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion(3)	[●]
Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus shall also made available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees will be available only at our branches and offices in India.

In case of ASBA forms, the relevant Designated Intermediaries are required to 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 UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. 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 initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the Managers 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/2022/51 dated April 20, 2022. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the bankers to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an Issue.

The 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 Managers 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 Bank on a continuous basis.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

(a) Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

(b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

(c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

(d) Exchanges shall display initial public offer demand details on its website and for UPI bids the demand shall include/ consider UPI bids only with latest status as RC 100 – Black Request Accepted by Investor/ Client, based on responses/ status received from the Sponsor Banks.

ELECTRONIC REGISTRATION OF BIDS

a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.

b. On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by the Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Issue under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Issue under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promotes or Promoter Group of our Company.

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 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 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/Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(e) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, 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 million

(ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

(iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. 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/Issue Opening Date, through intimation to the Stock Exchange.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Issue Price.

(i) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment

(j) Neither the BRLMs or 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 or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoter or Promoter Group" shall apply in the Issue under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(l) For more information, see the General Information Document.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External

("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 342. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs are required to be made in the individual name of the *Karta*. The Bidder/Applicant are required to specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs are considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instrument is transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilise the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilise the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilise the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs and AIFs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and Category 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. 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.

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF or Category I AIFs or Category II AIFs.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 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 less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. 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/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies s should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

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 the Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Issue Structure*" on page 320.

However, Allotments to Eligible Employees in excess of ₹200,000 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. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Issue. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form.

2. Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Issue under the Employee Reservation Portion.

3. In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.

4. Bids by Eligible Employees may be made at Cut-off Price.

5. Only those Bids, which are received at or above the Issue Price (net of the Employee Discount), would be considered for allocation under this portion.

6. The Bids 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 subject to a maximum Bid Amount of ₹500,000 (net of the Employee Discount).

7. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

8. Bids by Eligible Employees in the Employee Reservation Portion and in the Net Issue portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Issue Procedure*" on page 324.

Bids by Eligible Cyient Shareholders

Bids under the Shareholder Reservation Portion shall be subject to the following:

1. Only Eligible Cyient Shareholders (i.e. individuals and HUFs who are public equity shareholders of Cyient Limited, excluding such other persons not eligible under applicable laws, rules, regulations and guidelines as at the date of the Red Herring Prospectus) would be eligible to apply in this Issue under the Shareholder Reservation Portion.

2. In case of joint Bids, the sole / first Bidder shall be an Eligible Cyient Shareholder.

3. Only those Bids, which are received at or above the Issue Price (net of the Shareholder Discount), would be considered for allocation under this portion.

4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to Bid Amount not exceeding ₹ 200,000 (net of the Shareholder Discount).

5. Bids by Eligible Cyient Shareholders in the Shareholder Reservation Portion, the Net Issue portion and the Employee Reservation Portion (if eligible) shall not be treated as multiple Bids subject to applicable limits. To clarify, Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion above ₹ 200,000 can Bid in the Net Issue for up to ₹ 200,000 and Employee Reservation Portion (if eligible and subject to applicable limits), otherwise such Bids shall be treated as multiple Bids. If an Eligible Cyient Shareholder is Bidding in the Shareholder Reservation Portion up to ₹ 200,000, application by such Eligible Cyient Shareholder in the Retail Portion or Non-Institutional Portion and Employee Reservation Portion (if eligible and subject to applicable limits) shall not be treated as multiple Bids. Therefore, Eligible Cyient Shareholders bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000, net of the Shareholder Discount) can also Bid under the Net Issue and Employee Reservation Portion (if eligible and subject to applicable limits) and such Bids shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

6. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to Eligible Cyient Shareholders to the extent of their demand.

7. Any unsubscribed portion remaining in the Shareholder Reservation Portion shall be added to the Net Issue. Under-subscription, if any, in any category including the Shareholder Reservation Portion and Employee Reservation Portion, 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 in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

Eligible Cyient Shareholders would need to have a valid PAN and their PAN should be updated with the register of shareholders maintained with Cyient Limited. Further, Eligible Cyient Shareholders would need to have a valid demat account and details, as Equity Shares can only be Allotted to Eligible Cyient Shareholders having a valid demat account.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Issue Procedure*" on page 324.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs 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 Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

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. RIBs, Eligible Employees Bidding under the Employee

Reservation Portion and Eligible Cyient Shareholders Bidding under the Shareholder Reservation Portion can revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/ Issue Period.

***Do's*:**

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you have mentioned the correct ASBA Account number if you are not an UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

10. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

12. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

15. UPI Bidders Bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third-party;

16. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the

Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned are liable to be rejected;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. 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;

22. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

26. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

27. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

28. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

29. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/Issue Closing Date;

30. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were 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 are liable to be rejected;

31. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidders in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

32. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least

one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs and for Bids by Cyient Shareholder(s) Bidding in the Shareholder Reservation Portion, net of the Shareholder Discount) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion (net of the Employee Discount);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;
12. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
13. Anchor Investors should not Bid through the ASBA process;
14. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
15. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
18. 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;
19. 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);
20. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
21. Do not submit your Bid after 3.00 p.m. on the Bid/Issue Closing Date;
22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
23. Do not Bid for Equity Shares in excess of what is specified for each category;
24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;

26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders, Eligible Employees bidding in the Employee Reservation Portion and Eligible Cyient Shareholders Bidding in the Shareholder Reservation Portion can revise or withdraw their Bids on or before the Bid/ Issue Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

28. If you are an UPI Bidders which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third-party linked bank account UPI ID;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;

31. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by 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 bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. 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.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" on page 61.

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*" at page 61.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank);

(f) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(g) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(h) Bids submitted without the signature of the First Bidder or sole Bidder;

(i) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(j) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

(k) GIR number furnished instead of PAN;

(l) Bids by RIIs with Bid Amount of a value of more than ₹200,000;

(m) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(n) Bids accompanied by stock invest, money order, postal order or cash; and

(o) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Issue Closing Date, and Bids by RIIs uploaded after 5.00 p.m. on the Bid/Issue Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 61.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations 2018.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Issue Documents except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs 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 RIBs shall not be less than the minimum bid lot, subject to the availability of shares in Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Not more than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 million and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum Non-Institutional Bidder Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], a English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper and (iii) all editions of [●], a Telugu national daily newspaper (Telugu being the regional language of Telangana, where our registered office is located) each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoter's contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and
- except for the Pre-IPO Placement and any allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under the Employee Scheme, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

details of all unutilised monies out of the 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.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act which is reproduced below:

"*Any person who –*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issuee. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter alia*, the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

Further, in terms of the FEMA Non-debt Instruments Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See "*Issue Procedure*" on page 324.

In terms of the FEMA Non-debt Instruments Rules and the FDI Policy, a person resident outside India may make investments into India, subject to certain terms and conditions, and further provided that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India, who is situated in or is a citizen of any such country, shall invest only with the approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the above restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

The Equity Shares issued in the Issue have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Part A

Share Capital and Variation of Rights

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 stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the Equity Shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of Association of our Company, subject to the provisions of applicable law for the time being in force.

The Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital;

(b) issue share warrants;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) buy back its shares; and

(e) convert all or any of its fully paid-up shares into stocks.

The Company may, by Special resolution, reduce its Equity Share capital, its capital redemption reserve account, and any share premium account.

Forfeiture of Shares

If a member fails to pay any call, or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board, may, at any time thereafter while the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Lien

Our Company shall have a first and paramount lien on every share/debenture (not being a fully paid share/debenture), 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 that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect.

Any lien on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of our Company's lien, if any, on such shares / debentures. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The Company may sell, in such manner as the Board thinks fit, any shares on which our Company has a lien. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Share Certificates

Every member of our Company shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors approve, to several certificates, each for one or more of such shares and our Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe. The provisions of the Act, shall be complied with in the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Act.

Every certificate of shares shall be under the seal of our Company and shall specify the shares to which it relates and the amount paid-up thereon.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to our Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of our Company and on execution of such indemnity as our Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

Transfer of Shares

The instrument of transfer of any share shall be in writing and all the provisions of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof. Our Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where our Company has not issued any certificates and where the shares are held in dematerialised form, the provisions of the Depositories Act, 1996 shall apply. The Board may decline to recognize any instrument of transfer unless the instrument of transfer is in the form prescribed under the Act, is in respect of only one class of shares and is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

Transmission of shares

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and 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 Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares our Company may require him to obtain a grant of probate or letters of administration or succession certificate or other legal representation as the case may be from a competent court, provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of the probate or letter of administration or a secession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. If such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

Borrowing Powers

The Board may, from time to time and at its discretion, raise or borrow or secure the payment of any sums or sum of money for the purposes of our Company in such manner and upon such terms and conditions in all respects as it thinks fit.

General Meetings

All General Meetings of our Company other than the Annual General Meeting shall be called an Extra-ordinary General Meeting. The notice of a General Meeting shall be given to the Members of our Company, legal representative of any deceased Shareholder or the assignee of an insolvent member of our Company the Directors of our Company and the auditors for the time being of our Company.

Meetings of Directors

The Board of Directors shall meet at least once in every three months with a maximum gap of 120 days between two meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four such meetings shall be held in every year. Notice of at least seven days, in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad.

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by

other audio visual means shall also be counted for the purposes of quorum. If within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

Managing Directors

Subject to the provisions of the Act and of the Articles of Association, the Board shall have the power to appoint from time to time any full time employee of our Company as managing director/ whole time director or executive director or manager of our Company.

Appointment of Directors

Subject to the applicable provisions of the Act, the number of Directors of our Company shall not be less than 3 (three) and not more than 15 (fifteen) and at least one (1) Director shall be resident of India in the previous year. The Company may appoint more than fifteen (15) directors after passing a Special Resolution.

Chairman, Managing Director & Chief Executive Officer or Whole – Time Director(s), Company Secretary or Chief Financial Officer

Subject to the provisions of the Companies Act, a chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares and the provisions of the Act:

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in paid-up equity share capital.

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Dividend

Our Company in General Meeting may declare the dividends, but no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

No dividend shall bear interest against our Company.

Unpaid or Unclaimed Dividend

Where our Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, our Company shall within seven days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank and transfer to such account, the total amount of the dividend which remains unpaid or in relation to which no divided warrant has been posted.

Any money transferred to the said special account of our Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by our Company to the fund known as "Investors Education and Protection Fund" established under the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Winding Up

Subject to the provisions of the Act and rules made hereunder:

(a) If our Company shall be wound up, the liquidator may, with the sanction of a shareholders resolution as necessary and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company, whether they shall consist of property of the same kind or not; and

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Such indemnification shall not however, apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and shall also be available on the web link www.cyientdlm.com/[●] from date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated January 9, 2023 between our Company and the BRLMs.
2. Registrar Agreement dated January 9, 2023 between our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Public Issue Bank(s), Refund Bank(s) and Sponsor Bank(s).
4. Syndicate Agreement dated [●] between our Company, the BRLMs, the Registrar to the Issue and Syndicate Members.
5. Underwriting Agreement dated [●] between our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association, and Articles of Association of our Company, updated from time to time.
2. Certificate of incorporation issued by the Registrar of Companies, Karnataka at Bengaluru, dated June 30, 1993 to our Company, under the name 'Rangsons Electronics Private Limited'.
3. Certificate of incorporation issued by the Registrar of Companies, Karnataka at Bengaluru dated January 18, 2017 to our Company, under the name 'Cyient DLM Private Limited'.
4. Certificate of registration pursuant to the regional director order for change of State dated July 3, 2020, issued by the RoC pursuant to a change of State of the registered office from the State of Karnataka to the State of Telangana.
5. Certificate of incorporation issued by the RoC dated December 13, 2022 to our Company, under the name 'Cyient DLM Limited', consequent upon change of name on conversion to a public limited company.
6. Trade-Name License Agreement dated December 13, 2022 executed between our Company and our Promoter.
7. Promoter Services Agreement dated December 13, 2022 executed by and between our Promoter and our Company.
8. DLM Services Agreement dated December 13, 2022 executed by and between our Company and our Promoter.
9. Investment agreement dated January 2, 2015 entered into amongst our Promoter, G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company, as amended by letter agreement dated January 21, 2019 entered into amongst our Promoter, G Pavan Ranga, Anirudh Ranga M, Arjun M. Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company.
10. Share purchase agreement dated January 22, 2019 entered into amongst our Promoter, Sudheendhra Putty, G Pavan Ranga, Anirudh Ranga M, Arjun M Ranga, V Kiran Ranga, Vasu Vishnu Das Ranga, R Sridhar and our Company
11. Resolutions of the Board of Directors dated December 13, 2022, authorising the Issue and other related matters.
12. Shareholders' resolution dated December 14, 2022, approving the Fresh Issue and other related matters.
13. Resolution of the Board of Directors dated January 9, 2023, approving the Draft Red Herring Prospectus.
14. Copies of the annual reports of our Company for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020.

15. The examination report dated January 5, 2023 of our Statutory Auditors on the Restated Summary Statement, included in this Draft Red Herring Prospectus.

16. The report on statement of special tax benefits, dated January 5, 2023 from S.R. Batliboi & Associates LLP, available to our Company and its shareholders, as included in this Draft Red Herring Prospectus.

17. Consent of the Directors, CFO, KMPs, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to the Company as to Indian Law, Legal Counsel to the Book Running Lead Managers as to Indian Law, Registrar to the Issue, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

18. Written consent dated January 9, 2023 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "Expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated January 5, 2023 on our Restated Summary Statement; and (ii) their report dated January 5, 2023 on the statement of special tax benefits available to the Company included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

19. Consent letter dated January 9, 2023 from N B T and Co, Chartered Accountants, independent chartered accountants, to include their name as an "expert" as defined under section 2(38) of the Companies Act in respect of the certificates dated January 9, 2023 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

20. Certificate dated January 8, 2023 ("**ICE Certificate**") from M.S. Balu (membership number: M-117554/2), the chartered engineer, to include his name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in his capacity as an chartered engineer, in relation to the ICE Certificate certifying, *inter alia*, installed capacity, actual production and capacity utilization at the manufacturing facilities of our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

21. KPI Certificate dated January 9, 2023 from N B T and Co, Chartered Accountants.

22. Report titled "*Market Assessment for India EMS Industry*" dated January 7, 2023 prepared and issued by Frost & Sullivan and commissioned by our Company for the purposes of this Issue.

23. Consent letter from Frost & Sullivan dated January 7, 2023.

24. Due diligence certificate dated January 9, 2023 addressed to SEBI from the BRLMs.

25. In-principle approvals dated [●]and [●], issued by BSE and NSE, respectively.

26. Tripartite agreement dated December 13, 2022 amongst our Company, NSDL and Registrar to the Issue.

27. Tripartite agreement dated December 22, 2022 amongst our Company, CDSL and Registrar to the Issue.

28. SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Rajendra Velagapudi
Managing Director

Place: Hyderabad

Date: January 9, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Ganesh Venkat Krishna Bodanapu
Chairman, Non-Executive & Non–Independent Director

Place: Hyderabad

Date: January 9, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Venkat Rama Mohan Reddy Bodanapu
Non-Executive, Non–Independent Director

Place: Hyderabad

Date: January 9, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Vanitha Datla
Independent Director

Place: Hyderabad

Date: January 9, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Jehangir Ardeshir
Independent Director

Place: Hyderabad

Date: January 9, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Pillutla Madan Mohan
Independent Director

Place: Hyderabad

Date: January 9, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

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Shrinivas Appaji Kulkarni
Chief Financial Officer

Place: Hyderabad

Date: January 9, 2023