Letter of Offer
Dated: February 15, 2022
For Eligible Shareholders only

ASM TECHNOLOGIES LIMITED

ASM Technologies Limited ("**Company**" or "**Issuer**") was originally incorporated as "*Advanced Synergic Microsystems Limited*" on August 10, 1992 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Karanataka at Bangalore. Subsequently, pursuant to a special resolution passed in an annual general meeting dated September 29, 2000, the name of our Company was changed to "*ASM Technologies Limited*" and a fresh certificate of incorporation dated April 9, 2001 consequent on name change was issued to our Company by the Registrar of Companies, Karnataka at Bangalore. For details, including reasons for changes in the name of our Company, see General Information on Page 46.

Registered Office: 80/2, Lusanne Court, Richmond Road, Bangalore, Karnataka – 560 025, India. **Tel:** +91 80 6696 2300 / 2301
Contact Person: Ms. Vanishree Kulkarni, Company Secretary and Compliance Officer**;**
E-mail: info@asmltd.com; **Website:** www.asmltd.com**;**
Corporate Identification Number: L85110KA1992PLC013421

OUR PROMOTERS: 1) RABINDRA SRIKANTAN, 2) PREETI RABINDRA, 3) NIKHIL RABINDRA, 4) AKHIL RABINDRA AND 5) IDS SYSTEMS LLP.

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ASM TECHNOLOGIES LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UPTO 10,00,000 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 10/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 115/- EACH, INCLUDING A SHARE PREMIUM OF ₹ 105/- PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 115 MILLION* ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 10(TEN) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON, MONDAY, MARCH 21, 2022 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 11.5 (ELEVAN AND HALF) TIMES OF THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 115 OF THIS LETTER OF OFFER.
Assuming full subscription and receipt of Call Money with respect to Rights Equity Shares

WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are categorised as wilful defaulters 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 Reserve Bank of India.

PAYMENT METHOD*

Amount payable per Rights Equity Share i.e. Issue Price	Face Value (₹)	Premium (₹)	Total
On Application	3	32	35
On First and Final Call	7	73	80
Total	**10**	**105**	**115**

*For details on the payment method, please refer to chapter titled "*Terms of the Issue*" on page 115 of this Letter of Offer

GENERAL RISK

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") (the "**Stock Exchange**"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* their letter dated January 28, 2022 bearing reference number DCS/RIGHT/VJ/FIP/1851/2021-22. Our Company will also make application to the Stock Exchange to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Center Point, 6th floor, J. B. Nagar, Andheri Kurla Road Andheri (East), Mumbai - 400 059, Maharashtra, India. **Telephone:** +91 22 4082 0906/915 **Facsimile:** +91 22 4082 0999 **E-mail:** rights.issue@saffronadvisor.com **Website:** www.saffronadvisor.com **Investor grievance:** investorgrievance@saffronadvisor.com **Contact Person:** Gaurav Khandelwal/Varsha Gandhi **SEBI Registration Number:** INM 000011211 **Validity of Registration:** Permanent	**KFIN TECHNOLOGIES PRIVATE LIMITED** Selenium Tower – B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Telangana, India. **Tel**: +91 40 6716 2222/ /+91-40-7961 1000 **Email**: asmltd.rights@kfintech.com **Investor Grievance Email**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna **SEBI Registration Number**: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
MONDAY, MARCH 28, 2022	**WEDNESDAY, APRIL 06, 2022**	**MONDAY, APRIL 11, 2022**

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled "Industry Overview", "Summary of this Letter of Offer", "Financial Information", "Statement of Tax Benefits, "Outstanding Litigation and Material Developments" and "Terms of the Issue" on pages 63, 18, 92, 58, 106, and 115 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company related Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer"	ASM Technologies Limited, a public limited company incorporated under Companies Act, 1956 having its registered office at, 80/2, Lusanne Court, Richmond Road, Bangalore, Karnataka – 560 025, India
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.
"Articles" / "Articles of Association" / "AoA"	Articles / Articles of Association of our Company, as amended from time to time.
"Audited Consolidated Financial Statements"	The audited consolidated financial statements of our Company and its Subsidiaries for the year ended March 31, 2021 (along with comparatives for the year ended March 31, 2020) prepared in accordance with IND AS which comprises the consolidated balance sheet as at March 31, 2021 and March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended March 31, 2021 and March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon.
"Auditor" / "Statutory Auditor"/ "Peer Review Auditor"	Statutory and peer review auditor of our Company, namely, M/s B. K. Ramadhyani & Co, LLP, Chartered Accountants.
"Board" / "Board of Directors"	Board of directors of our Company including any committee thereof.
"Chief Financial Officer / CFO"	Mr. Narsingh Lashker Rathod, the Chief Financial Officer of our Company.
"Company Secretary and Compliance Officer"	Ms. Vanishree Kulkarni, the Company Secretary and the Compliance Officer of our Company.
"Director(s)"	The director(s) on the Board of our Company, unless otherwise specified.
"Equity Shares"	Equity shares of our Company of face value of ₹ 10 each, unless otherwise specified in the thereof.
"Executive Directors"	Executive directors of our Company.
Financial Information	Collectively the Audited Consolidated Financial Statements and Limited Reviewed Unaudited Consolidated Financial Statements
"Independent Director(s)"	Independent directors of our Company as defined in the Companies Act and the SEBI Listing Regulations
"Key Management Personnel" / "KMP"	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled "*Our Management – Key Managerial Personnel*" on page 90 of this Letter of Offer.
Limited Reviewed Unaudited Consolidated Financial Statements	Unaudited interim consolidated financial statements of our Company and its Subsidiaries, for the six months period ended September 30, 2021 prepared in accordance with the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India, along with a limited review report thereon.

Term	Description
Materiality Policy	Materiality threshold adopted by our Company in relation to the disclosure of civil and tax proceedings involving our Company and/or Subsidiaries, solely for the purpose of the Issue, i.e., ₹ 1.16 million or above
"Memorandum of Association" / "MoA"	Memorandum of Association of our Company, as amended from time to time.
"Non-executive Directors"	Non-executive Directors of our Company.
"Promoter"	The Promoters of our Company namely Rabindra Srikantan, Preeti Rabindra, Akhil Rabindra, Nikhil Rabindra and IDS Systems LLP.
"Promoter Group"	Individuals and entities forming part of the promoter group of the Company in accordance with Regulation 2(1)(pp) SEBI ICDR Regulations and which are disclosed by the Company to Stock Exchange from time to time.
"Registered Office"	The registered office of our Company 80/2, Lusanne Court, Richmond Road, Bangalore, Karnataka – 560 025, India.
"Registrar of Companies"/ "RoC"	Registrar of Companies, 'E' Wing, 2nd Floor, Kendriya Sadan, Koramangala, Bangalore – 560 034, Karnataka, India.
"Shareholders"/ "Equity Shareholders"	The Equity Shareholders of our Company, from time to time.
"Step-down Subsidiary	ESR Associates Inc, USA
"Subsidiaries"	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act, in our case the subsidiaries of our Company namely a. ASM Digital Technologies Inc, USA (formerly Pinnacle Talent Inc, USA) b. ASM Digital Technologies Pte Ltd (Formely Advanced Synergic Pte Limited, Singapore) c. ASM Technologies KK, Japan d. ASM Digital Engineering Private Limited, India e. RV Forms & Gears LLP, India f. ASM HHV Engineering Private Limited* *Incorporated on January 21, 2022 ***Step-down subsidiary*** a. ESR Associates Inc, USA

Issue related Terms

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the Escrow account(s) and the Application amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the R-WAP facility or though the website of the

Term	Description
	SCSBs (if made available by such SCSBs) under the ASBA process used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB and as specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being ICICI Bank Limited.
Bankers to the Issue Agreement	Agreement dated January 31, 2022 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page 115 of this Letter of Offer.
Call	Call notice sent by the Company to each of the holders of the Rights Equity Shares as on the Call Record Date, for making a payment of Call Money
Call Money	Aggregate amount payable in respect of the Rights Equity Shares at the time of the First and Final Call, being • ₹ 80/- per Equity Share, i.e. 69.56% of the Issue Price in respect of First and Final Call
Call Record Date	The date fixed by the Company for the purpose of determining the names of the holders of partly paid-up Rights Equity Shares for the purpose of issuing the First and Final Call.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLOF	This Draft Letter of Offer dated January 14, 2022 filed with the Stock Exchange, for its observations and in-principle listing approval.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., Monday, March 21, 2022, . Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 11 of this Letter of Offer.
First and Final Call	₹ 80/- per Equity Share
Issue / Rights Issue	Issue of up to 10,00,000 Equity Shares of face value of ₹ 10/- each ("Rights Equity Shares") of our Company for cash at a price of ₹ 115/- per Rights Equity Share (including a share premium of ₹ 105/- per Rights Equity Share) aggregating up to ₹ 115 million* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Shares for every 10 (Ten) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e., Monday, March 21, 2022. **Assuming full subscription and receipt of Call Money with respect to Rights Equity Shares.*

Term	Description
	The Issue is being envisaged in stages as described below: <table><tr><th>Amount payable per Rights Equity Share i.e. Issue Price</th><th>Face Value (₹)</th><th>Premium (₹)</th><th>Total</th></tr><tr><td>On Application</td><td>3</td><td>32</td><td>35</td></tr><tr><td>On First and Final Call</td><td>7</td><td>73</td><td>80</td></tr><tr><td>**Total**</td><td>**10**</td><td>**105**</td><td>**115**</td></tr></table>
Issue Closing Date	Monday, April 11, 2022
Issue Opening Date	Monday, March 28, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 115/- per Rights Equity Share. On Application, Investors will have to pay ₹ 35/- per Rights Equity Share which constitutes 30.44% of the Issue Price and the balance ₹ 80/- per Rights Equity Share which constitutes 69.56% of the Issue Price, will have to be paid on the First and Final Call, as determined by our Board at its sole discretion.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ 115 million* **Assuming full subscription and receipt of call money with respect to Rights Equity Shares.*
Lead Manager	Saffron Capital Advisors Private Limited
Letter of Offer/LOF	This Letter of Offer dated February 15, 2022 prepared in connection with the Issue.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 54 of this Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Wednesday, April 06, 2022.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Payment method	Payment schedule under which 30.44% of the Issue Price is payable on Application, i.e., ₹ 35/- per Rights Equity Share, and the balance unpaid amount constituting 69.56% of the Issue Price i.e., ₹ 80/- will have to be paid, on First and Final Call, as determined by our Board from time to time.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being. Monday, March 21, 2022
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited.
Registrar to the Issue / Registrar	KFin Technologies Private Limited.
Registrar Agreement	Agreement dated October 29, 2021 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/ have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., Monday, March 28, 2022. Such period shall close on Wednesday, April 06, 2022 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., Monday, April 11, 2022.

Term	Description
Retail Individual Bidders(s)/ Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹ 200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 1 (One) Rights Equity Shares for every 10 (Ten) Equity Shares held on Monday, March 21, 2022. The Rights Entitlements with a separate ISIN: INE867C20028 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date i.e., Monday, March 21, 2022. *Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.*
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company.
Rights Equity Shares/ Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
R-WAP	Registrar's web based application platform accessible at https://rights.kfintech.com instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021 for accessing/ submitting online Application Form by resident Investors.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.
Self-Certified Syndicate Banks" or "SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through 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
Stock Exchange	Stock exchange where the Equity Shares is presently listed, being BSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI ICDR Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
APAC	Asia-Pacific
ASEAN	Association of Southeast Asian Nations
AI/ML	Artificial Intellegnce/ Machine learning

Term	Description
AR/VR	Augmented Reality/ Virtual Reality
B2B	Business to Business
BEVs	Battery Electric Vehicle
BFSI	Banking, financial services and insurances
CAE	Computer-aided engineering
CAGR	Compounded Annual Growth Rate
CE	Conformite Europeenne
CFD	Computational Fluid Dyanamics
CRM	Cistomer relationship management
Evs	Electric Vehicles
Covid-19	Coronavirus Disease 2019
EMDEs	Emerging market and developing economies
ER&D	Engineering R&D
FDI	Foreign Direct Investment
FPGA	Field programmable gate array
FRP	Financial, Real Estate and Professional Services
GERD	Gross do
GDP	Gross Domestic Product
GNI	Gross National Income
GVA	Gross Value Added
ICT	Information and communications technology
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee (₹)
Iot	Internet of things
IIot	Industrial internet of things
IT	Information Technology
NASSCOM	National Association of Software and Services Companies
NFV	Network function virtualization
NLP	Natural language processing
OEM	Original Equipment Manufacturer
OTT	Over the top
OPEC	Organisation of the Petroleum Exporting Countries
PFCE	Private final consumption expenditure
PDM	Product Data Management
PLM	Product lifecycle management
R&D	Research & Deveolpment
ROHS	Restriction on certain hazardous substances
RoW	Rest of World
RPA	Robotic Process Automation
SaaS	Software as a service
SASE	Secure Access Service Edge
SDN	Software defined networking
THTCB	Trade, Hotels, Transport and Communication Services
UL	Underwriters' Laboratories
USA/US	United States of America
USD/ US$	US Dollar
VLSI	Cery large scale integration
VPN	Virtual Private Network
WEEE	Waste from electronic and electronic equipment
5G	Fifth-generation wireless

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.

Term	Description
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt instruments) Rules, 2019
Financial Year/ Fiscal	The period of 12 months commencing on April 01 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn /mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA andbj are currently in effect.
NSDL	National Securities Depository Limited

Term	Description
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
R&D	Research and Development
ROI	Return on Investment
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
WOS	Wholly owned Subsidiary
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of this the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively "**Issue Material**") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier the Issue Material only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, the Stock Exchange, and on R-WAP. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Material or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.
NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references to Singapore is to Republic of Singapore.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Audited Consolidated Financial Statements for the year ended March 31, 2021 and the Limited Reviewed Unaudited Consolidated Financial Statements for the six months period ended September 30, 2021. For details, please see "*Financial Information*" on page 92. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Audited Consolidated Financial Statements of our Company and its Subsidiaries for the Financial Year ended March 31, 2021 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and audited in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. The Limited Reviewed Consolidated Financial Statements of our Company and its Subsidiaries for the six months period ended September 30, 2021 have been prepared in accordance with the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. Our Company publishes its financial statements in Rupees.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Letter of Offer in "million" units or in whole numbers where the numbers have been too small to represent in million. One lakh represents 1,00,000 and one million represents 10,00,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to 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 Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations

on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page 92.

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

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; and
- "SGD" or "S$" are to Singapore Dollar, the official currency of the Republic of Singapore.
- "Yen" or "JPY" or "¥" are to Japaneese Yen, the official currency of Japan.

Our Company has presented certain numerical information in this Letter of Offer in "million" units or in whole numbers. One lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in million or in whole numbers where the numbers have been too small to present in million. Any percentage amounts, as set forth in "*Risk Factors",* "*Our Business*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Consolidated Financial Information.

Exchange Rates

This Letter of Offer contains conversions 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 Indian Rupee and other foreign currencies:

Currency	Exchange rate as on		
	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	73.51	75.38	69.17
100 JPY	66.36	69.65	62.09

**Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.*

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, such third-party data has not been independently verified by our Directors, our Promoters or the Lead Manager or any of their respective affiliates or advisors and none of these parties, jointly

or severally, make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 22, this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Industry Overview*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations; business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

- trends in the Indian technology industry;
- performance of the industries in which our clients operate;
- performance of our key clients and our relationship with our intermediaries;
- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
  - manage our growth effectively;
  - manage our credit risk;
  - manage the quality of our products;
  - hire and retain senior management personnel and other skilled manpower;
  - manage cost of compliance with labor laws or other regulatory developments;
  - manage our operating costs;
  - manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
  - successfully implement our business strategies and expansion plans;
  - maintain effective internal controls;
- adequate and timely supply of assets necessary for our operations such as vehicles and equipment;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and*

Results of Operations" beginning on pages 22, 75 and 96, respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", *"Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages 22, 44, 51, 54, 75, 63, 106 and 115 respectively.

1. Summary of Industry

Engineering R&D (ER&D) firms in India have stepped up their services in the background of a global pandemic and were back on their feet while at the same time, ensuring business continuity for their customers worldwide. ER&D firms focused on delivering projects in hand, enabling digital workplaces and contactless solutioning – remote assistance, health tracking, thermal scanning, etc. Across industries, remote solutions around product development, testing, validation & verification, management, maintenance & support solutions were quickly designed and implemented. With the effects of the pandemic still being felt, the uncertainty surrounding the vaccine and a series of additional lockdowns being announced, Indian ER&D exports is likely to see an almost flat growth to $31.1 billion in FY2021. However, the sector is likely to see a V-shaped recovery over FY2022-FY2023.

For more details, please refer to the chapter titled "*Industry Overview*" on page 63 of this Letter of Offer.

2. Summary of Business

ASM Technologies Limited is a public listed company (BSE: ASMTEC | 526433) with global presence in USA, Singapore, UK, Canada, Mexico and Japan. Our Company specializes in the areas of engineering services, product ER&D with successful offshore development and also has support centres in India and overseas. Our core business services includes the following: 1) Engineering services and 2) Product ER&D

For more details, please refer to the chapter titled "*Our Business*" on page 75 of this Letter of Offer.

3. Our Promoter

The Promoters of our Company are 1) Rabindra Srikantan, 2) Preeti Rabindra, 3) Nikhil Rabindra, 4) Akhil Rabindra and 5) IDS Systems LLP.

4. Intention and extent of participation by our Promoters and Promoter Group

Pursuant to a letter dated October 19, 2021, Mr Rabindra Srikantan ("**Subscription Letter**"), has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, intend to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company. Further, our Promoters and certain members of the Promoter Group also reserve the right to subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements to any unsubscribed portion of the Issue, if any subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

5. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in millions)

Particulars	Amount
Utilization towards long term working capital requirement of our Company^	105.00
General corporate purposes*	5.50

Total Net proceeds	**110.50**

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.
^ Deployed during FY 2021-22. Further, any portion of the Net Proceeds not deployed for the stated Objects in FY 2021-22 will be deployed by our Company in FY 2022-23.
**Assuming full subscription and receipt of Call Money with respect to Rights Equity Shares in this Issue. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds*

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 54 of this Letter of Offer.

6. Summary of Financial Information

Following are the details as per the Audited Consolidated Financial Statements as at and for the Fiscals ended March 31, 2020 and 2021 and the Limited Reviewed Unaudited Consolidated Financial Statements for six months period ended September 30, 2021:

(₹ in millions)

Sr. No.	Particulars	September 30, 2021*	March 31, 2021	March 31, 2020
1.	Authorised Share Capital	150.00	150.00	70.00
2.	Paid-up Capital	100.00	100.00	50.00
3.	Net Worth attributable to Equity Shareholders	634.93	568.18	504.06
4.	Total Revenue	893.44	1373.88	920.13
5.	Profit after tax	77.70	86.01	6.97
6.	Earnings per Share (basic & diluted) (in ₹)	7.77	8.60	0.70
7.	Net Asset Value per Equity Share (in ₹)	63.49	56.82	100.80
8.	Total Borrowings	320.09	291.68	199.02

**Quarterly, Unaudited, reviewed*

For further details, please refer the section titled "*Financial Information*" beginning on page 92 of this Letter of Offer.

7. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below:

Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in millions)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-
Tax Proceedings	05#	232.83
Proceedings involving material violations of statutory regulations by our Company	-	-
Economic offences	-	-
Material civil litigations above the materiality threshold	-	-

**To the extent quantifiable*
#Vide order dated January 19, 2022 passed by Deputy Commissioner of Income Tax, Bengaluru, our Company was awarded a refund amounting to ₹ 35.63 millions.

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in millions)
Criminal matters	-	-
Other civil litigation considered to be material by our Company's Board of Directors	-	-

**To the extent quantifiable*

For further details, please see the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 106 of this Letter of Offer.

8. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 22 of this Letter of Offer.

9. Summary of Contingent Liabilities

Following are the details as per the Audited Consolidated Financial Statements as at and for the Financial Year ended on March 31, 2021:

Particulars	(₹ in millions)
Service tax claim (company filed appeal against the order)	41.85
Showcause notice received from service tax authorities	182.28
Income tax under appeal of which the Company has paid an amount of ₹ 22.73 millions under protest	58.44
Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination	5.21
Corporate Guarantee given in favour of R.V Forms & Gears LLP for availing credit facilities	50.00
Total	

For further details, please see the chapters titled "*Audited Consolidated Financial Statements - Note 32- Contingent Liabilities*" at page F-40 of the Audited Consolidated Financial Statements in this Letter of Offer.

10. Summary of Related Party Transactions

(₹ in millions)

Nature of Transaction	Name of the related party	Year ended 31st Mar 2021	Year ended 31st Mar 2020
Sales of Services	RV Forms & Gears LLP	17.06	9.92
	ASM Digital Engineering Private Limited	5.00	-
Purchase of Services	Pinnacle Talent Inc (services provided to ASM branch at USA)	27.73	29.16
Investments made during the year	ASM Technologies KK	0.64	0.64
	ASM Digital Engineering Private Limited	127.75	-
Loans given during the year	ASM Technologies KK	10.07	6.76
	RV Forms & Gears LLP	57.15	-
Loans availed during the year	ASM Digital Engineering Private Limited	22.50	-
Corporate Guarantee given during the year	R V Forms & Gears LLP	50.00	
Remuneration	Key Managerial Personnel & Relative of Director	50.97	28.88
Sitting Fees	Independent Directors	1.69	1.59
Consultaion Fees	Relative of Director	1.39	-
Amount due to Company	Managing Director	0.54	0.04

For further details, please refer "*Audited Consolidated Financial Statements - Note 30- Related Party Transactions*" at page F-38 of the Audited Consolidated Financial Statements in this Letter of Offer.

11. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash except bonus shares issued in the ratio 1:1 i.e. 1 (one) equity share of ₹ 10 each for every 1 (one) exisiting equity share held by the shareholders. The resolution for the same was approved in the shareholders meeting held on February 04, 2021 and allotted to the shareholders on February 20, 2021.

12. Split or consolidation of Equity Shares in the last one year

Our Company has not carried out any corporate action to spilt or consolidate its equity shares in the last one year.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 63, 75 and 96 of this Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available information as well as industry publications and sources. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section.

This Letter of Offer 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, in the section titled "Forward-Looking Statements" on page 16 of this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information, prepared in accordance with Ind AS and the Companies Act, 2013 and audited in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to ASM Technologies Limited and its Subsidiaries.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

Business related risks

1. ***The Novel Coronavirus (COVID-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

   The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. Currently, there is substantial medical uncertainty regarding COVID-19 and this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

   Further, if in case, due to any consequent wave of Coronavirus, if a long term lockdown is imposed in the country or the state in which we conduct our business, we may face losses and our business operations could be severely impacted.

2. ***If we fail to keep our technical knowledge confidential, it may erode our competitive advantage and have a material adverse effect on our business, financial condition, results of operations and cash flows.***

   We possess technical knowledge and know-how about our products, including, in particular, engineering drawings, exclusively licensed-in technologies, design development processes and materials expertise, machine building and automation capabilities that have been built up through our own research and development capabilities and grant us access to new technologies. While we rely on a combination of trademark laws, confidentiality procedures and contractual provisions to protect our intellectual property, we cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. As a result, we cannot be certain that our technical knowledge will remain confidential. We have not made any applications for registration of any copyrights under applicable laws.

   Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the development and engineering process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements with our key employees to protect our technical knowledge and other confidential information, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with a number of our customers and suppliers, but we cannot assure you that such agreements will be successful in protecting our technical knowledge and know-how. The potential damage from such disclosure is increased as our designs and products are not patented and thus, we may have no recourse against copies of our products and designs that enter the market subsequent to such leakage.

   In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the precision components industry could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Moreover, we may not be able to detect any unauthorised use or to take appropriate and timely steps to protect our confidential technical information. Consequently, any leakage of confidential technical information may have a material adverse effect on our business, financial condition, results of operations and cash flows.

3. ***Our failure to protect confidential information like our software codes, data, pricing or launch information, it could adversely affect our competitive position.***

   We intend to keep our data, software codes and manufacturing processes confidential. We also keep information in relation to our proposed pricing of any new product/ service, any proposed variation in price or launch of any new product/ service confidential. Any failure to protect such confidential information due to leakage of information may impact our competitive position in our product segment. The appointment letters issued to our employees who use our data, codes and processes to manufacture our products or provide

services, require that all information made known to them be kept strictly confidential. Though there have not been any attempts made so far to divulge our proprietary/ trade secrets, the appointment letters may not effectively prevent disclosure of our proprietary information and may not provide any adequate remedy in the event of unauthorised disclosure of such information to our competitors. Consequently, such events may adversely affect our competitive position.

4. Some of our subsidiaries have incurred losses in the past, and we may incur losses in the future.

Some of our subsidiaries have incurred losses in the recent past, the details of which are provided below:

Particulars	Loss incurred during the Fiscal 2021	Loss incurred during the Fiscal 2020
ASM Digital Technologies Inc. (*in ₹ millions*)	(1.54)	-
ASM Technologies Kabushiki Kaisha, Japan (*in ₹ millions*)	(4.36)	(4.55)
ASM Digital Technologies Pte. Ltd.	SGD(82,351)	SGD(17,834)
RV Forms & Gears LLP (*in ₹ millions*)	-	(18.12)*

** Attributable to partner i.e. ASM Technologies Ltd. is (12.68) million as per Statement of Profit and Loss for the year ended March 31, 2021 of RV Forms & Gears LLP*

There can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation.

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

Our Company has experienced negative net cash flow from investing and operating activities in the recent past, the details of which are provided below:

(*in ₹ millions*)

Particulars	March 31, 2021	March 31, 2020
Net Cash Flow from/(used in) Operating Activities	42.32	(84.50)
Net cash generated from/(used in) Investing activities	(89.33)	49.00
Net Cash Flow from/(used in) Financing Activities	69.87	2.08

6. There are outstanding litigations involving our Company which, if determined against us, may adversely affect our business and financial condition.

As on the date of this Letter of Offer, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in millions)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-
Tax Proceedings	05	232.83

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in millions)
Proceedings involving material violations of statutory regulations by our Company	-	-
Economic offences	-	-
Material civil litigations above the materiality threshold	-	-

**To the extent quantifiable*

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in millions)
Criminal matters	-	-
Other civil litigation considered to be material by our Company's Board of Directors	-	-

**To the extent quantifiable*

Any adverse order in these proceedings could materially impact our business, results of operations and financial condition. For further details, please see the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 106 of this Letter of Offer.

7. We have certain contingent liabilities that may adversely affect our financial condition.

Our contingent liabilities as of March 31, 2021 were as follows:

Sr. No.	Particulars	Amount
i.	Service Tax claim (Company filed an appeal against the Order)	41.85
ii.	Showcause notice received from service tax authorities	182.28
iii.	Income tax under appeal of which the Company has paid an amount ₹ 22.73 million under protest.	58.44
iv.	Income tax deducted at source demand under TRACES software for short and non-remittances of tax deduction at source – matter under examination	5.21
v.	Corporate guarantee given in favour of R V Forms & Gears LLP for availing credit facilities.	50.00

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

8. We are exposed to foreign currency exchange rate fluctuations, which may have an adverse effect on our results of operations and value of the Equity Shares.

Our exposure to foreign currencies are unhedged due to which we are exposed to foreign currency fluctuation risks. As a result of such exposure, we may incur potential losses if foreign currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

The exchange rate between the Indian Rupee and the USD and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares. We are exposed to foreign currency risk of unhedged exposure of foreign currency as on account of translation of receivables and bank balances. As of March 31, 2021, our total foreign currency receivables amounted to ₹ 66.71 million and our total foreign currency payables amounted to ₹ 19.65 million.

A non-resident investor may not be able to convert Indian Rupee proceeds into USD or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD equivalent of our financial condition and results of operations.

For historical exchange rate fluctuations, see "*Certain Conventions, use of Financial Information and Currency of Presentation*" on page 13.

9. Our lenders have charge over our assets in respect of finance availed by us.

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our current assets and book debts. The total amounts outstanding and payable by us as secured loans were ₹ 68.45 million as on September 30, 2021. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

For further details of secured loans of our Company, please refer the chapter titled Financial Statements on page 92 of this Letter of Offer.

10. We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets.

Typically, restrictive covenants under financing documents of our Company relate to obtaining prior consent of the lender for events or actions including the following:

- any change in shareholding of our Promoter;
- any change in the capital structure of our Company;
- any additional borrowings;
- any encumbrance or security over charged assets;
- change in the ownership or control of our Company, resulting in any change in the beneficial ownership;
- create any further charge over the asset provided as security without Bank's prior approval;
- any material change in the management of our Company;
- invest by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can, however, be extended);
- implement any scheme of expansion or acquire fixed assets like land and buildings.
- (However purchase of assets should be made out of own funds or through borrowings made specifically for this purpose.)
- any scheme of merger, amalgamation, compromise or reconstruction;
- any change in the constitutional documents of our Company;
- pre-paying any indebtedness incurred by our Company;
- declaring any dividend on share capital of the Company, if our Company has failed to meet its obligations to pay the interest and/or commission and/or installment or installments and/or other moneys payable to the lender, so long as it is in such default;
- selling, assigning, mortgaging or otherwise disposing of any of the fixed assets charged to the lender;
- undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects;
- undertake guarantee obligations on behalf of any third party or any other company;
- any contractual obligation of a long-term nature or affecting our Company financially to a significant extent; and
- any change to the general nature of the business of the Company.

In addition, such restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. Such financing agreements also require us to maintain certain financial ratios.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have an adverse effect on our financial condition and results of operations.

11. An inability to manage our growth effectively could adversely affect our business and future financial performance.

Our revenue from operations (net) increased from ₹ 880.25 milion in Fiscal 2020 to ₹ 920.13 in Fiscal 2021 representing an increase of (4.53%). However, we have experienced significant growth over the last few years as we have expanded our operations across India. Our ability to grow our business will depend on various factors, many of which are beyond our control. These factors include, but are not limited to: customer loyalty to our existing and future products/offerings and services; evolving consumer preferences and our ability to adapt our business and operations; recruiting and training qualified personnel; further strengthening our products/offerings in new markets; competition in our markets; availability of financing at suitable terms and conditions; and sourcing and managing the cost of our expansion and identifying suitable supply and delivery resources.

In order to effectively manage our growth, we will need to further strengthen our operating systems, procedures and internal controls systems, and a failure to do so on a timely basis, or any weakness in our internal controls, may result in inconsistent or flawed operating procedures. The development of future business may also be affected by external factors, including general political and economic conditions in India and our international markets, government policies or strategies, particularly with respect to excise duty and sales tax applicable to our products and operations, as well as prevailing interest rates and currency exchange rates. Moreover, our ability to sustain our growth depends on our ability to attract and retain key management personnel, maintain effective risk management policies and address adverse market or business developments.

If we are unable to achieve our business strategy of organic and inorganic growth and if our existing and future management resources, operational and financial systems, and operating procedures and control measures are not adequate to support the growth in our future operations, it may adversely affect our business prospects and future financial performance.

12. If we are unable to raise additional capital, our business prospects could be adversely affected.

We intend to fund our growth and expansion plans through our cash on hand, cash flow from operations. We will continue to incur significant expenditure in research and development, maintaining and growing our existing infrastructure and production capacity. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

13. An inability to maintain our competitive position in India and in our other markets may adversely affect our business, prospects and future financial performance.

The IT service management market is highly competitive in India. We compete with global, regional and local companies. If the number of competitors or level of marketing or investments undertaken by such competitors were to increase, it may result in a reduction in the consumption of our products and demand for our services, which may in turn reduce our market share and we may be required to incur increased marketing and distribution related expenses in order to remain competitive. In addition, the success of our business depends on consumer behaviour and preferences and their affinity and loyalty to our products and services, and there can be no assurance of market acceptance and consumer preference for new offerings or that there will be an increase in market share of the products/ services. In addition, we compete with aggressive marketing and promotional activities by other global, regional or local IT service providers on price and promotional discounts announced from time to time.

14. ***Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We believe we are adequately insured against all losses and risks involving property and third party liability. For our operations, we have obtained insurance cover for standard fire and special perils, cash in transit, group personal accidental companies. While the gross block of our assets such as buildings, and plant and machinery as of September30, 2021 was ₹ 11.76 million and ₹ 40.01 million respectively, our sum assured under our insurance policies was ₹ 51.41million. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an event that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could adversely affect our business, results of operations and financial condition. If we are subject to litigation or claims or our operations are interrupted for a sustained period, the insurance policies may not be found to be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer large uninsured losses or if any insured losses suffered by us significantly exceed our insurance coverage or our insurance claim is rejected, it may adversely affect our business, results of operations and financial condition.

15. ***Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in previous years.***

The Equity Shares of our Company are listed on BSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. Our Company endeavours to comply with all such obligations/ reporting requirements, however, there have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner.

Although, our Company endeavours to comply with all such obligations/ reporting requirements, there may be non-disclosures/ delayed/ erroneous disclosures and/or any other violations that might be committed by us, and the same may result into Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares. We have however, been in compliance with the SEBI Listing Regulations for the past 12 months and therefore, this Letter of Offer is prepared and submitted in terms of Part B of Schedule VI to the SEBI ICDR Regulations.

16. ***Certain Promoters, Promoter Group and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors (including our Promoters and Promoter Group) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may not be able to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

For further details, see *"Capital Structure"* and *"Financial Information"* on pages 51 and 92 of this Letter of Offer.

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

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. 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. Further, it is likely that we may enter into related party transactions in the future.

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

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

In the recent past; i.e. Fiscal 2020 and Fiscal 2021, we have made dividend payouts to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company 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, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether 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 our Equity Shares will appreciate in value.

19. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are highly dependent on our directors, senior management and other key personnel for setting our strategic business direction and managing our business. We currently do not have any non-compete agreements with our directors, senior management or other key personnel and have not obtained any key man insurance with respect to such individuals. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. In the event of the loss of services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

20. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.

As at September 30, 2021, we had registered 28 trademarks. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our brand names. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease usage of certain brand names. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

21. Certain of our financing agreements involve variable interest rates and any increase in interest rates may adversely affect our results of operations and financial condition.

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

22. Any downgrading of our credit rating by a domestic or international credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.

Our credit rating could be downgraded due to various factors, including factors which may be outside our control. Any future downgrade of our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, results of operations and financial condition.

23. We are subject to extensive government regulation and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.

The IT service management segment is subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals labour related and tax related approvals. There can be no assurance that the relevant authorities will issue or renew any expired permits or approvals in time or at all. Failure or delay in obtaining approvals or failure by us to obtain, maintain or renew the required permits or approvals within applicable time, may result in interruption of our operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

Although we endeavour to obtain and maintain relevant regulatory approvals applicable to our operations, such approvals are subject to various conditions and in the event of an inability to comply with such conditions, the relevant regulatory authorities may suspend or revoke such approvals. In addition, the regulations governing our operations may be amended and impose more onerous obligations on us which may result in increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

We engage various contractors at our manufacturing facilities. We cannot assure you that the contractors operating our facilities will be able to obtain and maintain relevant approvals for continuous operations. Failure of the contractors to maintain requisite government approvals may lead to a disruption at our production facilities and consequently in the production and supply of our products and may adversely affect our results of operations. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications.

24. Our business subjects us to risks in multiple countries.

We distribute our products globally, serving a customer base in India and 25 other countries spread across North America, Latin America, Europe, and Asia in Fiscal 2021. Our operations 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:

- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action, which may adversely affect our business and operations;
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, which may impose onerous and costly obligations on our foreign subsidiaries;
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export licence requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, which may affect our ability to both operate and the way in which we manage our business in the countries in which we operate; and
- Fluctuations in foreign currency exchange rates against the Indian Rupee, which may affect our results of operations, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations. For more information, see "*Certain convetions, use of financial information and currency of presentation*" on page 13 .

In addition, changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which we currently operate can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. 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 will expose us to regulatory regimes with which we have no prior direct experience. If any of these risks materialises, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

25. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds for repayment of identified unsecured loans and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

26. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".

As the Issue size is not more than ₹ 1000 million, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — "*Objects of the Issue*" on page 54 of this Letter of Offer.

27. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such third party data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "*Industry Overview*" of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third party-data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

Issue Specific Risks

28. We will not distribute the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars our Company will send, only through email, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

29. Non-receipt of Call Money may have an impact of a consequential shortfall in Net Proceeds.

The First and Final Call shall be deemed to have been made at the time when the resolution authorizing the calls is passed at the meeting of our Company's Board of Directors. The First and Final Call may be revoked or postponed at the discretion of our Company's Board of Directors, from time to time. Pursuant to the provisions of the Articles of Association, the Investors would be given at least fourteen (14) days' notice for the payment of the First and Final Call. Our Company's Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of the First and Final Call. Our Company, at its sole discretion, may send reminders for the call as it deems fit, and if it does not receive the Call Money as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For details, see "*Objects of the Issue*" on page 54.

30. Investment in Rights Equity Shares is exposed to certain risks. From the Call Record Date prior to the First and Final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Equity Shares will not be traded with effect from the Call Record Date for the call fixed for the determination of the Investors liable to pay Call Money, as determined by our Board at its sole discretion, from time to time.

The Issue Price is ₹ 115/- per Rights Equity Share. Investors will have to pay ₹ 35/- per Rights Equity Shares which constitutes 30.44% of the Issue Price on Application and the balance ₹ 80/- per Rights Equity Shares which constitutes 69.56% of the Issue Price on First and Final Call, as determined by our Company's Board of Directors at its sole discretion, from time to time. The Rights Equity Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Equity Shares. This may affect the liquidity of the Rights Equity Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For details, see "*Terms of the Issue*" on page 115. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN representing partly paid up Rights Equity Shares will be terminated after the Call Record Date for the First and Final Call. On payment of the First and Final Call in respect of the partly paid up Rights Equity Shares, such partly paid up Rights Equity Shares would be converted into fully paid up Equity Shares and shall be listed and merged with the existing ISIN for our fully paid up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for First and Final Call would be sent. From the Call Record Date prior to the First and Final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid up Equity Shares, would be suspended, for such period as may be applicable under the rules and regulations.

Further, there is little history of trading of partly paid up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Equity Shares to fall and may limit ability of Investors to sell the Rights Equity Shares. There may also be a risk of the Rights Equity Shares not forming part of the index.

Further, until the subsistence of Rights Equity Shares, we cannot undertake further rights issues, further public offers or bonus issues. In terms of Regulations 62 and 104 of the SEBI ICDR Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid up equity shares have either been fully paid up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid up equity shares in terms of Regulation 293 of the SEBI ICDR Regulations.

31. SEBI has recently, by way of circulars dated January 22, 2020 and May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and October 1, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and October 1, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 115.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "**ASM TECHNOLOGIES LIMITED RIGHTS ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT**") opened by our Company, for the Eligible Equity

Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

32. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by Resident Individual Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Resident Individual Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue – Procedure for Application through the R-WAP*" on page 128 . Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

33. The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

34. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May

6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 115. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

35. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 115.

36. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

37. You 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 of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

38. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in

the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

40. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

41. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

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

External Risk Factors

43. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and

shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further due to the rising number of infected cases of COVID-19 in the country and the onset of the second wave of the virus, various State Governments including Government of Tamil Nadu have imposed a complete lockdown. There is no certainty if additional restrictions will be imposed or if the lockdown would be extended to combat with the second wave and prevent the third wave of COVID-19 in the country. In the events additional restrictions are imposed, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

The Group has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, has used internal and external information which are relevant in determining the expected future performance of the Group. We cannot assure that the information used to determine the future performance and the impact of COVID-19 on our business, results of operations, cash flows and financial condition will give accurate results as it is based on assumptions and estimated. However, the impact of COVID-19 on the Group's Restated Consolidated Summary Statements may differ from that estimated in the historical audited financial statements.

44. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.

Our restated consolidated summary statements of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 and restated consolidated summary statements of profit and loss (including other

comprehensive income), cash flows and changes in equity for the Fiscals 2021, 2020 and 2019 have been prepared in accordance with the relevant provisions of the SEBI ICDR Regulations ,as amended from time to time in pursuance of the SEBI Act, 1992 and the Guidance Note on Report in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Consolidated Summary Statements and Interim Condensed Consolidated Financial Statements included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

45. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence 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, cash flows, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchange;

- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

47. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

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 and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS had altered the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. The GAAR provisions may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

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

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

48. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

49. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

50. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

51. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

52. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations 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 example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India announced the union budget for Fiscal 2021 and the Ministry of Finance had notified the Finance Act, 2021 ("**Finance Act**") on March 28, 2021.The Finance Act has been promulgated into effect from July 1, 2021. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 ("**Bill**") has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as

costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

54. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed on BSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- 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;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchange;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the

Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on August 21, 2021 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 115 of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 10,00,000 Equity Shares
Rights Entitlement	Upto 1 (One) Rights Equity Share for every 10 (Ten) fully paid-up Equity Shares held on the Record Date i.e. Monday, March 21, 2022.
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ 115/- per fully paid up Equity Share (including a premium of ₹ 105/- per Equity Share) *On Application , Investors will have to pay ₹ 35/- per Rights Equity Share, which constitutes 30.44% of the Issue Price and the balance ₹ 80/- per Rights Equity Shares which constitutes 69.56% of the Issue Price, will have to be paid on First and Final Call as may be decided by the Board from time to time*
Issue Size	Upto 10,00,000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ 115/- per Rights Equity Share up to an amount of ₹ 115* million. **Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares*
Record Date	Monday, March 21, 2022
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 10 (Ten) Equity Shares or is not in multiples of 10 (Ten), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue upon being fully paid up shall rank *pari pasu* in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	1,00,00,000 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 1,10,00,000 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Upto 1,10,00,000 Equity Shares
Money payable at the time of Application	₹ 35/-

Money payable at the tme of First and Final Call	₹ 80/-
Call Payment period	A period as may be fixed by the board or its committee to enable the payment of the Calls by the holders of partly paid-up Rights Equity Shares.
Scrip Details#	**ISIN for Equity Shares:** INE867C01010 **BSE:** 526433 **ISIN for Rights Entitlements:** INE867C20028 **ISIN for Partly paid-up equity shares**: IN9867C01018
Use of Issue Proceeds	For details please refer to the chapter titled "*Objects of the Issue*" on page 54 of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" on page 115 of this Letter of Offer.

The terms of payment of the Issue are as follows:

Amount payable per Rights Equity Share	Face Value (₹)	Premium (₹)	% of Issue Price	Total (₹)
On Application	3	32	30.44	35
On First and Final Call	7	73	69.56	80
Total	**10**	105	100	115

Please refer to the chapter titled "*Terms of the Issue*" on page 115 of this Letter of Offer.

GENERAL INFORMATION

ASM Technologies Limited was originally incorporated as "Advanced Synergic Microsystems Limited" on August 10, 1992 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Karanataka at Bangalore. Subsequently, pursuant to a special resolution passed in an annual general meeting dated September 29, 2000, the name of our Company was changed to "ASM Technologies Limited" and a fresh certificate of incorporation consequent on name change was issued to our Company by the Registrar of Companies, Karnataka at Bangalore.

Registered Office of our Company

ASM Technologies Limited
80/2, Lusanne Court,
Richmond Road, Bangalore,
Karnataka - 560 025, India.
Telephone: +91 80 6696 2300 / 2301
E-mail: info@asmltd.com
Website: www.asmltd.com
Registration Number: 013421
CIN: L85110KA1992PLC013421

Registrar of Companies

Our Company is registered with the Registrar of Companies, Karnataka at Bangalore situated at the following address:

Registrar of Companies, Bengaluru
'E' Wing, 2nd Floor, Kendriya Sadan,
Koramangala, Bangalore – 560 034,
Karnataka, India.
Telephone: +91 80 2553 7449, +91 80 2563 3104
Facsimile: +91 80 2552 8531
E-mail: roc.bangalore@mca.gov.in

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Letter of Offer:

Name	Age	Designation	Address	DIN
Vikram Ravindra Mamidipudi	65	Chairman and Independent Director	H No. 16, Cardmaster Road, Arihant Enclave, 205 Akbar Road Tadbund, Manovikasnagar, Hydreabad – 500 009, Andhra Pradesh, India.	00008241
Rabindra Srikantan	60	Managing Director	Villa No BE-36, Divyashree 77 East Yemlur Main Road, Off old Airport Road Bengaluru, Karnataka – 560 037, India*	00024584
Muthuswami Lakshminarayan	75	Independent Director	No. 464, TTM Main Sadanand Nagar NGEF Layout, Bengaluru, Karnataka – 560 038, India.	00064750
Preeti Rabindra	56	Non – Independent and Non-Executive Director	G06 The Elgin, 11 Hosur Road, Museum Road Bengaluru, Karnataka – 560 025, India.	00216818
Shekar Viswanathan	64	Independent Director	110, 6th Cross 2nd Main, R.M.V 2nd Stage, S F H S Bengaluru North, Karnataka – 560 094, India.	01202587
Ramesh Radhakrishnan	59	Non – Independent and Non-Executive Director	Villa No. 11, Palm Meadows Extension Ramagondanahalli, Whitefield, Bengaluru Karnataka – 560 066, India.	02608916

**Post filing of the Draft Letter of Offer dated January 14, 2022 with BSE, the residential address of Mr. Rabindra Srikantan has been changed to the abovementioned address*

Chief Financial Officer

Narsingh Lashker Rathod, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

80/2, Lusanne Court, Richmond Road, Bangalore, Karnataka – 560 025, India.
Telephone: +91 80 6696 2300 / 2301
E-mail: nlrathod@asmltd.com

Company Secretary and Compliance Officer

Vanishree Kulkarni, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

80/2, Lusanne Court, Richmond Road,
Bangalore, Karnataka – 560 025, India.
Telephone: +91 80 6696 2300 / 2301
E-mail: vanishree.kulkarni@asmltd.com

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager to the Issue

Saffron Capital Advisors Private Limited
605, Sixth Floor, Centre Point, J.B. Nagar,
Andheri (East), Mumbai - 400 059, India;
Tel. No.: +91 22 4082 0906;
Fax No.: +91 22 4082 0999;
Email id: rights.issue@saffronadvisor.com;
Website: www.saffronadvisor.com;
Investor grievance: investorgrievance@saffronadvisor.com;
SEBI Registration Number: INM 000011211;
Validity: Permanent
Contact Person: Varsha Gandhi

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort,
Mumbai - 400 023,
Maharashtra, India
Telephone: +91 22 2266 3353
Facsimile: +91 22 2266 3978
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

Registrar to the Issue

KFIN TECHNOLOGIES PRIVATE LIMITED
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad 500 032
Telangana, India.
Tel: +91 40 6716 2222/ /+91-40-7961 1000
Email: asmltd.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Investors may contact Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), Email address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgment slip (in case of ASBA process) and copy of the e-ackonwledgment (in case of R-WAP process). For details on the ASBA process and RWAP process, see "*Terms of the Issue*" on page 115 of this Letter of Offer.

Statutory and Peer Review Auditor of our Company

M/s B.K. Ramadhyani & Co., LLP,
Chartered Accountants
4B, 4th Floor, Chitrapur Bhavan
68, 8th Main, 15th Cross, Malleshwaram
Bengaluru – 560 055, Karnataka, India
Telephone: +91 80 23464700
Email: deepak@ramadhyani.com
Contact Person: C R Deepak
Membership No.: 215398
Firm Registration No.: 002878S/S00021
Peer Review Certificate No.: 012484

Bankers to the Issue/ Refund Bank

ICICI Bank Limited
Capital Market Division, 1st floor, 122, Mistry Bhavan,
Dinshaw Vachcha Road, Backbay Reclamation, Churchgate,
Mumbai – 400 020, Maharashtra, India.
Telephone: +91 22 66818911/ 923/924
Facsimile: +91 22 2261 1138
Email: sagar.welekar@icicibank.com / ipocmg@icicibank.com;
Website: www.icicibank.com
Contact Person: Sagar Welekar
SEBI Registration Number: INBI00000004
CIN: L65190GJ1994PLC021012

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Saffron Capital Advisors Private Limited, being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or R-WAP.

Expert

Our Company has received written consent dated October 30, 2021 from our Statutory Auditor, namely, M/s. B.K. Ramadhyani & Co., LLP, Chartered Accountants for inclusion of their (i) report dated May 26, 2021 on the Audited Consolidated Financial Information in this Letter of Offer, (ii) report dated October 30, 2021 on the Limited Reviewed Unaudited Consolidated Financial Statements; and (iii) to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated October 30, 2021 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Credit Rating

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

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue will be less than ₹1000 millions, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from ₹100 million to ₹500 million. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Changes in Auditors during the last three years

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	Monday, March 28, 2022
Last Date for On Market Renunciation of Rights	Wednesday, April 06, 2022
Issue Closing Date	Monday, April 11, 2022

The above schedule is indicative and does not constitute any obligation on our Company

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., Wednesday , April 06, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Monday, April 11, 2022.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see *"Terms of the Issue"* beginning on page 115.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the Rights Issue are for a purpose which is other than financing a capital expenditure for a project; and

2. Our Promoter and Promoter Group have confirmed *vide* their letter dated October 19, 2021, their intention to subscribe to their rights entitlement, and will not renounce rights except to the extent of renunciation within the promoter group.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

Amount (in ₹ Millions, except share data)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A.	**Authorised Share Capital**		
	1,50,00,000 Equity Shares of face value of ₹ 10 each	150	1,725
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	1,00,00,000 Equity Shares of face value of ₹ 10 each	100	1,150
C.	**Present Issue in terms of this Letter of Offer**[1]		
	Up to 10,00,000 Equity Shares of ₹ 10 each	10[4]	115
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**[2]		
	1,10,00,000 Equity Shares of face value of ₹10 each	110	1,265
E.	**Securities Premium Account**		
	Before the Issue	Nil	Nil
	After First and Final Call made in respect of Rights Equity Shares[3]	10	105

[1]The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on August 21, 2021 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.
[2]Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares. Please note that the payment schedule and the right to call up the remaining paid-up capital on First and Final Call will be as determined by our Board at its sole discretion.
[3])Assuming full subscription and receipt of Call Money with respect to Rights Equity Shares.
[4] On Application, Investors have to pay ₹ 35/- per Rights Equity Share which constitutes 30.44% of the Issue Price and the balance of ₹ 80/- per Rights Equity Share which constituted 69.56% of the Issue Price, will be have to paid, on First and Final Call, as determined by our Board at its sole discretion.

NOTES TO CAPITAL STRUCTURE

1. **Details of outstanding instruments as on the date of this Letter of Offer:**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. Except as disclosed under the heading titled "*Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2021*" https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=526433&qtrid=112.00&QtrName=December%202021 no Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

3. Members of our Promoter and Promoter Group have not acquired any Equity Shares in the last one (1) year immediately preceding the date of filing of this Letter of Offer. However, they have been allotted shares as part of a Bonus Issue in the ratio of 1:1, to all shareholders of the Company:

Sr. No.	Name of Shareholder	No. of Equity Shares	Mode of Acquisition	Date of Allotment
1.	Rabindra Srikantan	21,03,677	Bonus Issue (1:1)	February 20, 2021
2.	Preeti Rabindra	3,80,524	Bonus Issue (1:1)	February 20, 2021

3.	Nikhil Rabindra	1,34,600	Bonus Issue (1:1)	February 20, 2021
4.	Akhil Rabindra	1,34,600	Bonus Issue (1:1)	February 20, 2021
5.	IDS Systems LLP	3,38,502	Bonus Issue (1:1)	February 20, 2021
	Total	**30,91,903**		

4. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to subscribe the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹600.70/- per equity share.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. The Rights Equity Shares, pursuant to this Issue shall be partly paid-up at the time of Allotment and made fully paid up with the help of subsequent First and Final Call. The Equity Shares will be forfeited for non-payment of calls within 12 months from the date of allotment . For details on the terms of this Issue, see *"Terms of the Issue"* on page 115.

8. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations:

(i) The shareholding pattern of our Company as on December 31, 2021, can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/asm-technologies-ltd/asmtec/526433/shareholding-pattern/

(ii) Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2021 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=526433&qtrid=112.00&QtrName=December%202021

(iii) Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2021 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=526433&qtrid=112.00&QtrName=December%202021

9. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchange.

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on December 31, 2021 can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/asm-technologies-ltd/asmtec/526433/shareholding-pattern/

10. Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:

As on date of this Letter of Offer, none of the Equity Shares held by our Promoter or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.

The details of shares lock locked-in, pledged, encumbrance by Promoter and Promoter Group can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/asm-technologies-ltd/asmtec/526433/disclosures-consolidated-pledge-data/

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from this Issue towards the following objects:

1. To meet working capital requirements of our Company; and

2. General corporate purposes.

(collectively, known as "**Objects**")

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake the activities for which the funds are being raised through the Issue, and the activities for which the borrowings proposed to be repaid in full or part from the Net Proceeds.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

(₹ in millions)

Particulars	Amount
Gross Proceeds from this Issue^	115.00
Less: Estimated Issue related expenses*	4.50
Net Proceeds from the Issue	**110.50**

^ assuming full subscription and allotment and receipt of Call Money with respect to the Rights Equity Shares
** to be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.*

Requirement of Funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the following table:

(₹ in millions)

Particulars	Amount
Utilization towards long term working capital requirement of our Company^	105.00
General corporate purposes*	5.50
Total Net proceeds	**110.50**

** Assuming full subscription and receipt of Call Money with respect to the Rights Equity Shares and subject to finalization of Basis of Allotment. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds*
^ Deployed during Financial Year 2021-22. Further, any portion of the Net Proceeds not deployed for the stated Objects in Financial Year 2021-22 will be deployed by our Company in Financial Year 2022-23.

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Directors, key managerial personnel or associate companies (as defined under Companies Act, 2013).

Means of Finance

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may require changes in making First and Final Call in future, as may be decided by the Board from time to time, with respect to the Rights Equity Shares for balance of ₹ 80/- per Rights Equity Share which constitute 69.56% of the Issue Price. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the Objects of this Issue

1. To meet the working capital requirements of our Company

Our business is working capital intensive and we will require additional working capital for the growth of our business. The aim of our working capital management is to ensure that we are able to continue our operations smoothly, increase our business operations and have sufficient cash flow to satisfy both maturing short-term debt and upcoming operational expenses.

The incremental working capital from the proposed Rights Issue will be used to fund the working capital gap, for our existing business operations. The details of our Company's working capital on a standalone basis for the past financial years is represented below. Based on our Company's past experience and taking into consideration the business requirements, we expect our working capital for Financial Year 2022 to be as under:

(₹ in millions)

	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22
Current Assets				
Trade Receivables	160.64	200.53	197.79	267.08
Cash & Cash Equivalents	68.25	61.86	77.44	162.00
Loans/other financial assets	171.84	134.04	107.70	20.00
Other Current Assets	44.53	83.39	266.67	320.00
Total (A)	**445.26**	**479.82**	**649.60**	**769.08**
Current Liabilities				
Trade Payables	3.14	7.06	11.27	13.00
Other financial liabilities	7.72	16.85	26.21	30.00
Current Liabilities / provisions	41.94	65.96	117.23	123.00
Total (B)	**52.80**	**89.87**	**154.71**	**166.00**
Total Working Capital Gap (A-B)	392.46	389.95	489.12	603.08
Funding pattern				
Internal Accruals	303.88	300.71	346.78	298.08
Working Capital from Banks^	88.58	89.24	148.21	200.00
Working Capital Gap – Rights Issue proceeds	**--**	**--**	**--**	**105.00**

^As on date, our Company has a total sanctioned working capital limit of ₹ 200 million comprising of ₹ 277.9 million from State Bank of India and of ₹ 30 million from HSBC.

Justification for "Holding period" levels

Trade Receivables / Debtors	The debtors' realization for Financial Year 2019, Financial Year 2020 and Financial Year 2021 was normal and was 77, 87 and 64 days respectively. We have long standing relations with many of our customers and a collection period of 72 days for Financial Year 2022 seems realistic and achievable, given the revenue projections, current macro environment in this backdrop of Indian and world economy emerging from a weakening global pandemic.
Trade Payable / Creditors	We expect the trade payable to be at par with our earlier years and accordingly we expect it to be around ₹ 13 million for Financial Year 2022.
Short Term Provisions	Based on the revenues and profitability for Financial Year 2021, we expect marginal increase in the sales revenues and profitability over Financial Year 2021 and hence provisions, which include statutory income tax and GST payments have been assumed at ₹ 30 million.
Other Current Liabilities	Other current liabilities usually consist of 1 months outstanding (30 days) of employee salaries, rent payable among other expenses is estimated at ₹ 123 million

2. General corporate purposes

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business 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.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Deployment of funds

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2022. However, if the Net Proceeds raised in Fiscal 2022 are not completely utilised for the objects stated above by Fiscal 2022 due to various factors beyond our control, such as market conditions, competitive environment, interest or exchange rate fluctuations and including any terms and conditions of our Company's borrowings and other commercial considerations, the same would be utilised in Fiscal 2023. The deployment scheduled in Fiscal 2022 and 2023 will be contingent upon call money received. The details in relation to utilization of Net Proceeds of the Issue are set forth hereinbelow:

(₹ in millions)

Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds
		Fiscal 2022
Working Capital	105	105
General corporate purposes	5.50	5.50
Total	**110.50**	**110.50**

As and when our Company makes the First and Final Call for the balance money with respect to the Rights Equity Shares, our Company shall endeavour to utilize the proceeds raised from such call within the same Fiscal as the receipt of the said call money, failing which our Company shall utilize the said call money in the subsequent Fiscal.

Estimated Issue related expenses

The total expenses of this Issue are estimated to be ₹ 4.5 million. The break-up of the Issue expenses is as follows:

Particulars	Amount* (₹ million)	As a percentage of total expenses*	As a percentage of Issue size*
Fees of the Registrar to the Issue, Legal Advisor, Advisor/Merchant Banker, Auditor's fees, including out of pocket expenses etc.	3.10	68.89	2.70
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	0.45	10.00	0.39
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	0.95	21.11	0.83
Total estimated Issue expenses	**4.50**	**100.00**	**3.91**

** Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes. Estimated amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details. In the event there is any reduction in the actual Issue Expenses, the residual amount shall be utilized towards General Corporate Purposes.*

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934, as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹1,000 million, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners attributed to the Objects of the Issue.

Interest of Promoters, Promoter Group and Directors, in the objects of the Issue.

Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

STATEMENT OF SPECIAL TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To,

The Board of Directors

ASM Technologies Limited
80/2, Lusanne Court,
Richmond Road, Bangalore,
Karnataka 560 025 India.

Re: Proposed rights issue of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Issue") of ASM Technologies Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').

We hereby report that the enclosed Statement prepared by ASM Technologies Limited (the "**Company**") states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act, 2021 (hereinafter referred to as "**Income Tax Laws**"), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India under the respective tax laws of their country as on the signing date, for inclusion in the Letter of Offer and the Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Income Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were 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 offer.

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

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements

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

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

The contents of the enclosed Statement are based on the information, explanations and representations obtained

from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and the Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of
M/s B. K. Ramadhyani and Co, LLP.
Chartered Accountants
Firm Registration Number: 002878S/S200021

Name: C R Deepak
Partner
ICAI Membership Number: 215398
UDIN: 21215398AAAA
Date: October 30, 2021
Place: Bangalore

Encl: As above

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ASM TECHNOLOGIES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

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

1. Special tax benefits available to the Company under the Act

Outlined below are the Possible Special Direct Tax benefits available to ASM Technologies Limited (the "Company") and its Shareholders under the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

Special direct 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 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years.

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

a. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
b. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
c. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
d. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of section 35 (Expenditure on scientific research)
e. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
f. Deduction under section 35CCD (Expenditure on skill development)
g. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
h. Deduction under Section 80LA other than deduction applicable to a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA of the Act.
i. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause 1) to 8) above.
j. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause 1) to 8) 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. Additionally, such Company will not be entitled to claim tax credit relating to MAT.

In this regard, from Assessment Year 2020-21 relevant to Financial Year 2019-20 onwards the Company has an option to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (effective rate of 25.168% along with Surcharge and Health and Education Cess) subject to fulfilment of above conditions.

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

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to

specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

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

As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note, that tax shall be levied where such capital gains exceed INR 1,00,000/-.

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

Notes:

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

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

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

4) The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that: i. the Company or its shareholders will continue to obtain these benefits in future; ii. the conditions prescribed for availing the benefits have been/ would be met with; and iii. the revenue authorities/courts will concur with the view expressed herein.

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

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

7) 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.

ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO ASM TECHNOLOGIES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

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

1. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

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

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

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

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

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled "Risk Factors" and "Our Business" beginning on pages 22 and 75 respectively.

The Global Economy

Global contraction for the year 2020 was at 3.3% (negative growth). As a result of COVID-19 pandemic, the same is projected to grow at 6% in 2021. Also, it is expected that the pandemic will fade in second half of 2021 and containment efforts can be gradually unwound, the global economy is projected to grow on the back of a vaccine powered recovery by 4.4% in 2022, as per The International Monetary Fund, World Economic Outlook April 2021.

Summary of World Economic Outlook Projections is given below (in %):

Particulars	2020	2021P	2022P
World	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Canada	-5.4	5.0	4.7
Other Advanced Economies*	-2.1	4.4	3.4
Emerging market and developing economies (EMDEs)	-2.2	6.7	5.0
Emerging and Developing Asia	-1.0	8.6	6.0
China	2.3	8.4	5.6
India**	-8.0	12.5	6.9
ASEAN-5***	-3.4	4.9	6.1
Emerging and Developing Europe	-2.0	4.4	3.9
Latin America and Caribbean	-7.0	4.6	3.1
Middle East and Central Asia	-2.9	3.7	3.8
Sub-Saharan Africa	-1.9	3.4	4.0

p- Projections
** Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries*
*** For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY 11-12 as a base year.*
**** Indonesia, Malaysia, Philippines, Thailand, Vietnam*
(Source: World Economic Outlook April 2021 as published by IMF)

Growth in the advanced economy group—as the vulnerable population gets vaccinated, contact intensive activities are expected to resume and drive a significant pickup in recovery—is projected at 5.1 percent in 2021. Most economies in the group are forecast to recover this year, though in varying degrees. In parts of Europe, the outbreak has been as severe as in China's Hubei province. Although essential to contain the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Adverse confidence effects are likely to further weigh on economic prospects. In 2022, the advanced economy growth rate is projected to be 4.8 percent.

Among emerging market and developing economies, vaccine procurement data suggest that effective protection will remain unavailable for the most population in 2021. Recovery profiles shall vary, depending upon based on regional differences in the severity of the pandemic, economic structure and exposure to specific shocks. Overall, the group of emerging market and developing economies is projected to recover at 6.7 percent in 2021. In 2022 the growth rate for emerging market and developing economies is projected to stabilise to 5.0 percent, largely reflecting the forecast for China (5.6 percent).

Emerging Asia is projected to have a sharp recovery rate in 2021 (8.6 percent). The growth in 2022 with projected growth rate of 6.0 percent in emerging Asia depends critically on the pandemic fading in the second half of 2021, allowing containment efforts to be gradually scaled back and restoring consumer and investor confidence. Several economies in the region are forecast to grow at rapid rates, including India at 6.9 percent.

Financial markets across the world are experiencing extreme volatility: equity markets recorded sharp sell-offs, with volatility touching levels seen during the global financial crisis; flights to safety have taken down sovereign bond yields to record lows; risk spreads have widened; and financial conditions have tightened. Global commodity prices, especially of crude oil, have also declined sharply in anticipation of weakening global demand on the one hand, and the failed negotiations of the Organisation of the Petroleum Exporting Countries (OPEC) and Russia, on the other.

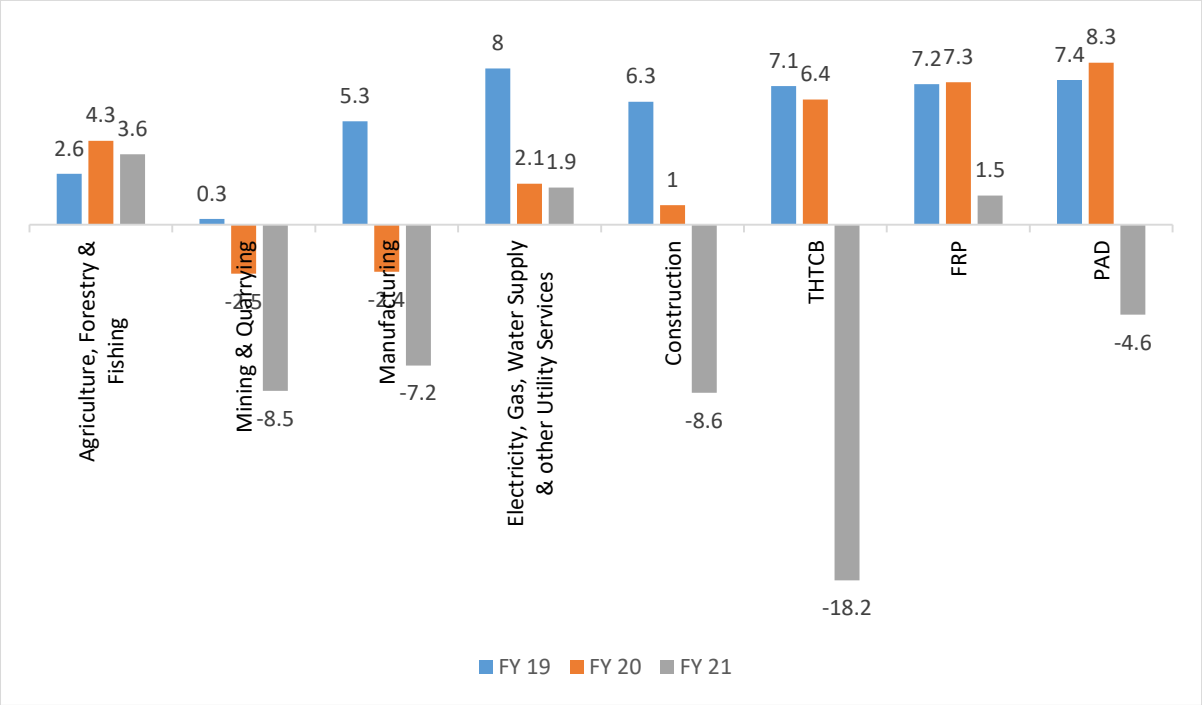
Many central banks have eased monetary, liquidity and regulatory policies to support domestic demand, including through emergency off-cycle meetings. The International Monetary Fund (IMF) and the World Bank Group are making available US$ 50 billion and US$ 14 billion, respectively, through various financing facilities to their membership to help them respond to the crisis.

The Indian Economy

The annual growth of India for 2021 has been projected to be 12.5 percent as per IMF World Economic Outlook April 2021. However, it is expected to stabilise to 6.9 percent in 2022.

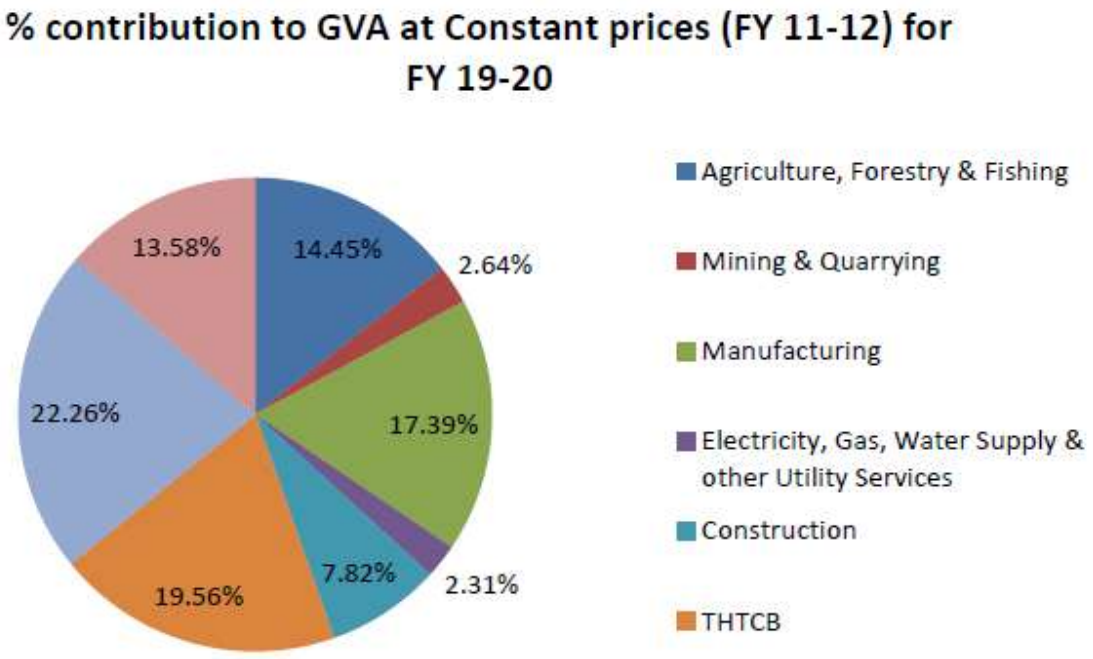
Gross Domestic Product (GDP) is the sum of private consumption, gross investment in the economy, government investment, government spending and net foreign trade (difference between exports and imports). Sectorial GDP Growth is as under:

Sectoral Growth of GDP in (%) (At constant FY 11-12 prices)



(Source: Ministry of Statistics and Programme Implementation)

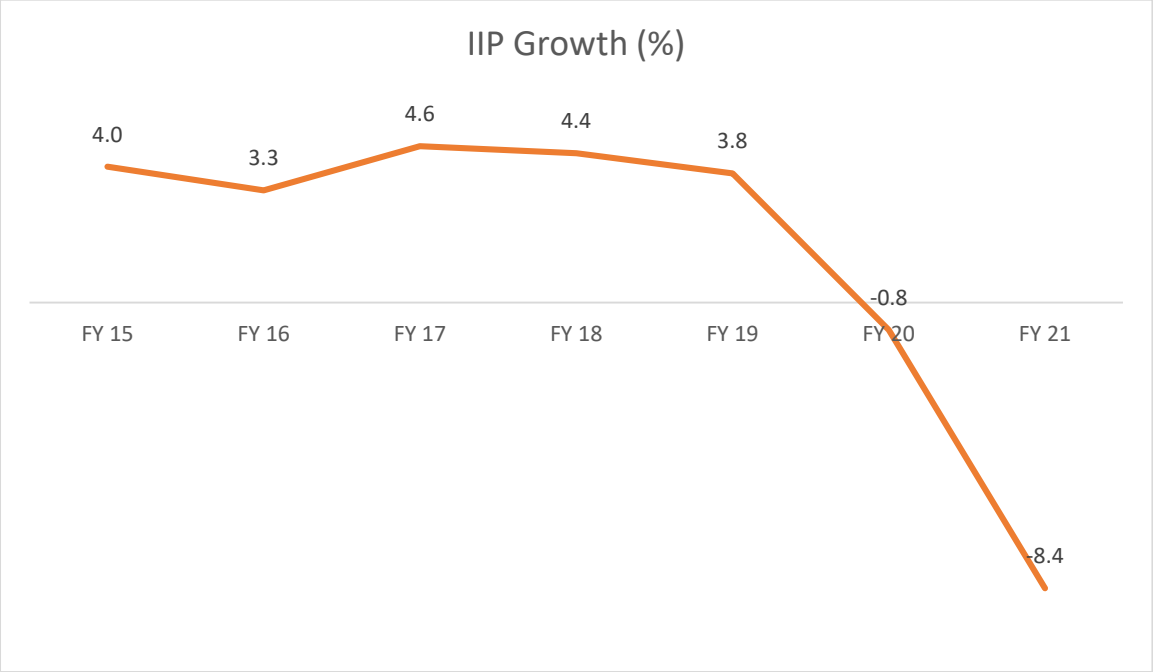
Gross value added (**GVA**) is the measure of the value of goods and services produced in an economy. GVA gives picture of supply side where as GDP represents consumption. Sector wise estimated contribution to GVA is provided below:



(Source: Ministry of Statistics and Programme Implementation)

It may be noticed from the above that Financial, Real Estate and Professional services (FRP) contribute highest followed by contribution from Trade, Hotels, Transport and Communication services (THTCB). Share of Manufacturing and Agriculture sector was 3rd and 4th largest respectively.

Industrial Growth - The cumulative Index of Industrial Production (IIP) growth during FY 20-21 was at -8.4%.

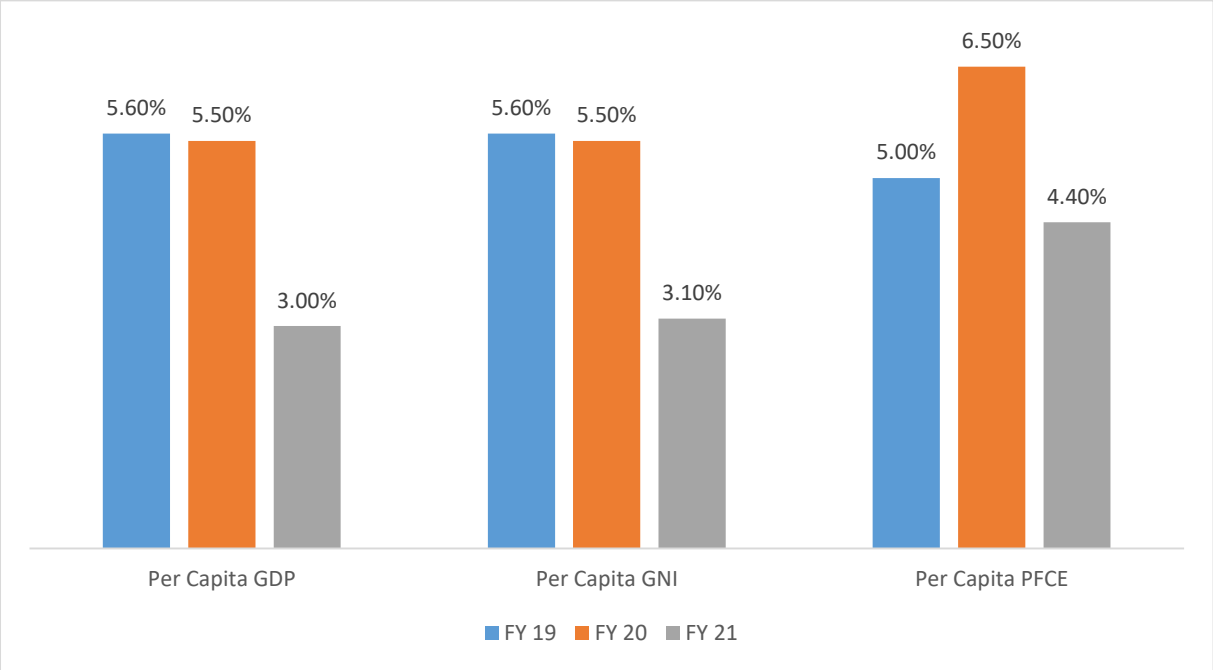


(Source: Ministry of Statistics and Programme Implementation)

In view of the global COVID-19 pandemic and consequent nationwide lockdown measures implemented since March, 2020, the data flow from the producing units was impacted. As some of these units are yet to resume

operations, the response rate has been lower than usual. Consequently, the Quick Estimates are likely to undergo revision and will be incorporated in subsequent releases as per the revision policy of IIP.

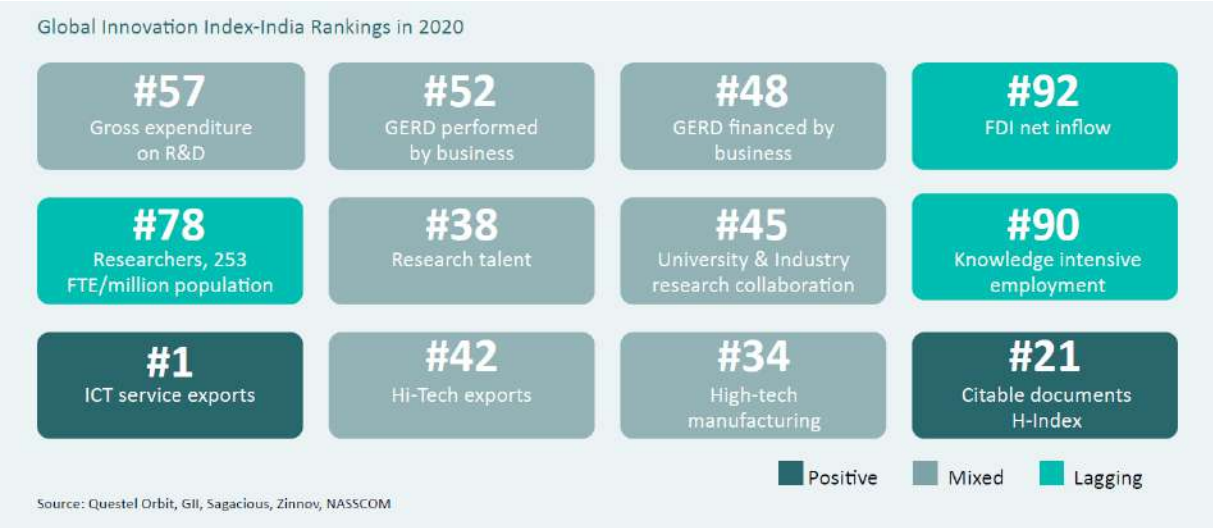
Growth in Per Capita GDP, Income and Final Consumption



(Source: Ministry of Statistics and Programme Implementation)

During the year FY 20-21, growth in per capita GDP, income and private consumption have decreased drastically compared to previous FY 19-20. It may be noted growth of private consumption has sustained as compared to the other parameters in FY 20-21 indicating an increasing share of private consumption in the country.

Indian Economy Outlook



India has not been spared from the exponential spread of COVID-19. As per IMF, growth in India was -8.0 percent in 2020 and "V" shape recovery is projected with 12.5 percent growth in 2021 only to stabilise at a growth rate of 6.9 percent in 2022. While efforts are being mounted on a war footing to arrest its spread, COVID-19 would impact economic activity in India directly through domestic lockdown. Second round effects would operate through a severe slowdown in global trade and growth.

Domestic and global shocks to key conditioning variables such as global crude oil prices, global trade and growth, the exchange rate, the monsoon outturn and the rising frequency of their visitations make forecasting a challenging task. Such uncertainties make the forecasting of growth highly challenging. The actual outturn would depend upon the speed with which the outbreak is contained and economic activity returns to normalcy.
Private consumption, in particular, is at serious risk from the COVID-19 pandemic, notwithstanding improved rabi prospects and the recent rise in food prices, and the rationalisation of personal income tax rates in the Union Budget 2021-22 along with measures to boost rural and infrastructure spending. Aggregate demand is expected to be impacted adversely by likely recession in the global economy, caused by disruptions in global supply chains, travel and tourism, and lockdowns in many economies. Domestic production will also be impacted by the nation-wide lockdown. In the near-term, the challenge is to mitigate the adverse impact of COVID-19.

Since March 2020 the inflation outlook has become highly uncertain due to the COVID-19 outbreak turning into a pandemic. Crude oil prices have collapsed to lows not seen since early 2000s. With several major economies in lockdown mode, demand conditions may weaken sharply. Accordingly, countries across the world are bracing up for deflationary forces to take hold. India may not be immune to these extreme downside pressures imparted by the pandemic.

The pick-up in economic activity would be dependent on the easing of lockdown across the country and the containment of the spread of the virus. The longer the economy at a standstill the longer the return to normalcy.

Even with easing of lockdown, revival across sectors would vary significantly and be contingent on how they are able to address the challenges of liquidity, labour, logistics, demand and capacity utilization.

Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the government would mitigate the adverse impact on domestic demand and help spur economic activity once normalcy is restored. Still, the government would have to play a critical role for the revival of the economy mainly through investments which could to an extent address the dire employment situation and also prompt consumption.

Global ER&D activities overview || Global ER&D spend declined 6% in 2020 to ~$1.2 trillion

Global Engineering R&D (ER&D) spend has seen a decline due to its exposure to verticals that were badly impacted by COVID-19 pandemic and the subsequent lockdown. This is the first time since 2012 that the sector has seen a de-growth; corporate ER&D spend declined 6% in 2020 ($1.16 trillion) vis-à-vis $1.24 trillion in 2019. A large part of this decline has come mainly from the aerospace, automotive, consumer electronics, energy & utilities verticals. On the other hand, medical devices, semiconductors, software & internet have been more resilient due to other sources of demand, higher dependence on technology as firms chose to undergo rapid digital transformation and the exponential increase in cloud investments and OTT/gaming consumption.

However, the rate of recovery is going to vary across verticals. Some verticals like automotive and aerospace have been facing disruptions even before the pandemic with shifting consumer preferences (sharing a vehicle vs. owning it), volatility in oil prices, reducing carbon footprint, etc. The pandemic has bought some old trends back in vogue – people are choosing to own a car due to concerns around the coronavirus.

As a result, companies are identifying new areas of growth leading to reprioritization of investments and looking to digital business services for future growth:

Vertical-wise shift in ER&D investments

Illustrati

	Investment areas	Digital Technologies
Automotive	• Plaformization, Data monetization • Electrification (BEVs, EVs) • Autonomous Vehicles	• Cloud Engineering • AI/ML, Big Data Analytics • IoT, Edge Computing
Aerospace	• Contactless solutions, Supply chain • MRO – Aircraft storage services, out-of-storage checks, return-to-service	• Digital Twin/Digital Thread • Data Integration Tools • Remote inspections
Telecom	• Cloud Gaming • SDN & NFV, SASE • VPN, Network automation	• Edge Cloud • 5G Networks • Remote Diagnostics
Medical Devices	• Connected devices, Contactless • Virtualized care, Robotic surgery • Diagnostics & Surgical Training	• IoT, AR/VR • Analytics • AI/ML, NLP
Semicon	• AI chips, Memory chips • Connected devices/vehicles, Datacenters • COVID-19 related medical devices	• 5G wireless • AI/ML

Despite short term dip, ER&D sourcing expected to increase: ER&D global sourcing market stood at $89 billion, a 6% decline over 2019 primarily due to insourcing and carve-outs. However, European firms are now more accepting of the global sourcing model and Indian service providers have begun seeing increasing traction for ER&D deals. As per NASSCOM Future Factor 360's Global ER&D Pulse Survey (Sep-2020), majority of the firms are maintaining or ramping up investment plans for their GCCs.

ER&D || Indian outlook || Indian ER&D market expected to see near flat growth in FY2021

The COVID-19 pandemic disrupted every aspect of our business and individual lives in ways that no one imagined. The global lockdown during early 2020 bought business to a near complete halt after which enterprises raced to set up alternative ways of working that could function just as efficiently in a remote, distributed environment.

Engineering R&D (ER&D) firms in India too stepped up and were back on their feet within a month while at the same time, ensuring business continuity for their customers worldwide. The work from anywhere concept extended to ER&D labs as well with many companies shifting office infrastructure to people's homes.

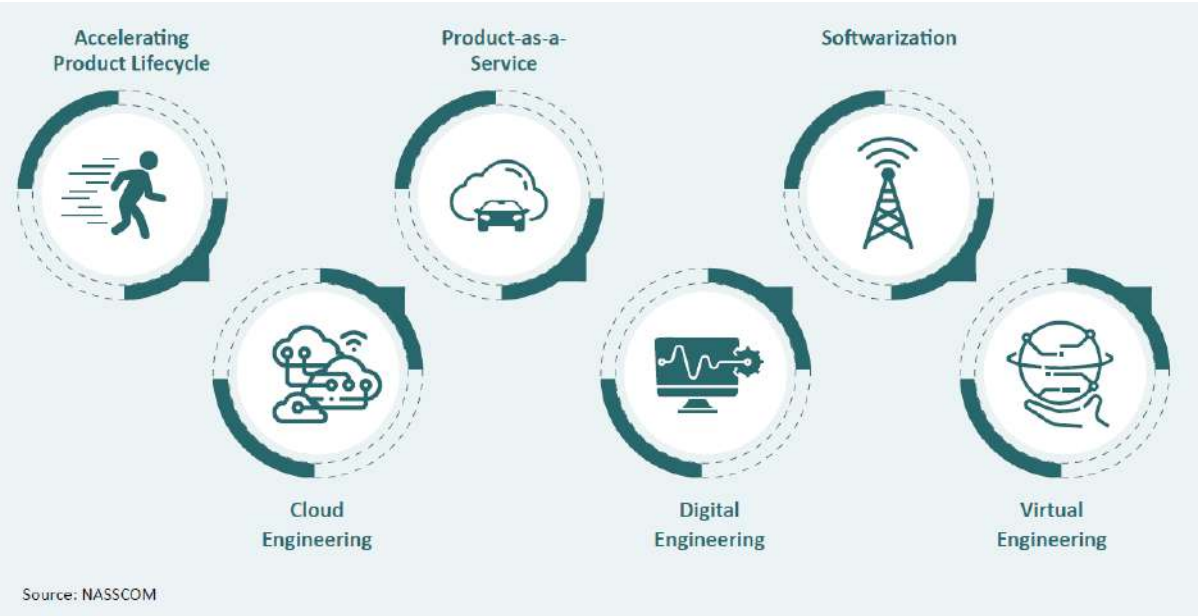
ER&D firms focused on delivering projects in hand, enabling digital workplaces and contactless solutioning – remote assistance, health tracking, thermal scanning, etc. Across industries, remote solutions around product development, testing, validation & verification, management, maintenance & support solutions were quickly designed and implemented.

ER&D firms also helped governments with digital solutions that enabled them to monitor & control traffic, use contactless solutions to quickly disseminate important information/updates to the public, crowd management, etc.

COVID-19 impact also meant that customers began reprioritizing spend and went into a cost optimization mode with a more laser sharp focus on innovation, efficiency, resilient offerings and an even stronger component of digital engineering.

With the effects of the pandemic still being felt, the uncertainty surrounding the vaccine and a series of additional lockdowns being announced (UK in Dec-2020), Indian ER&D exports is likely to see an almost flat growth to $31.1 billion in FY2021. However, the sector is likely to see a V-shaped recovery over FY2022-FY2023.

Digital engineering spend is continuing at a fairly robust rate; share is likely to increase in FY2021 to 20% at $6.2 billion vis-à-vis $5.2 billion by FY2020. Cloud engineering has taken off particularly in the automotive and manufacturing sectors; customers are implementing visualisation technologies (digital twins, AR/VR) for better design control and digital thread, IoT/edge computing to better monetize data and to design hyper-personalised products.



Accelerating Product Lifecycle: The pandemic accelerated digital transformation for customers with project timelines shrinking from years to months. Indian ER&D firms were able to build and deliver platforms & solutions that helped customers shift to a virtual world. This acceleration is likely to continue in the medium- to long-term where customers will look for ROI over a shorter time period (2-6 months) versus 12+ months.

Cloud Engineering, the Next Growth Opportunity: OEMs and Tier-1s are seeing higher need for standardized, structured data, data access and collaboration across the board. Also, heavy use of IoT/IIoT, edge computing, AI/ML/NLP, computer vision, simulation, AR/VR, etc. needs storage & processing capacity that only cloud can provide. This is leading to higher cloud adoption among manufacturing firms and in turn, leading to platformisation, higher data monetization, hyper-personalisation and servitization. Going forward, we will see integrated ER&D firms leverage cloud business and more pure-play ER&D firms begin to offer cloud-based ER&D services.

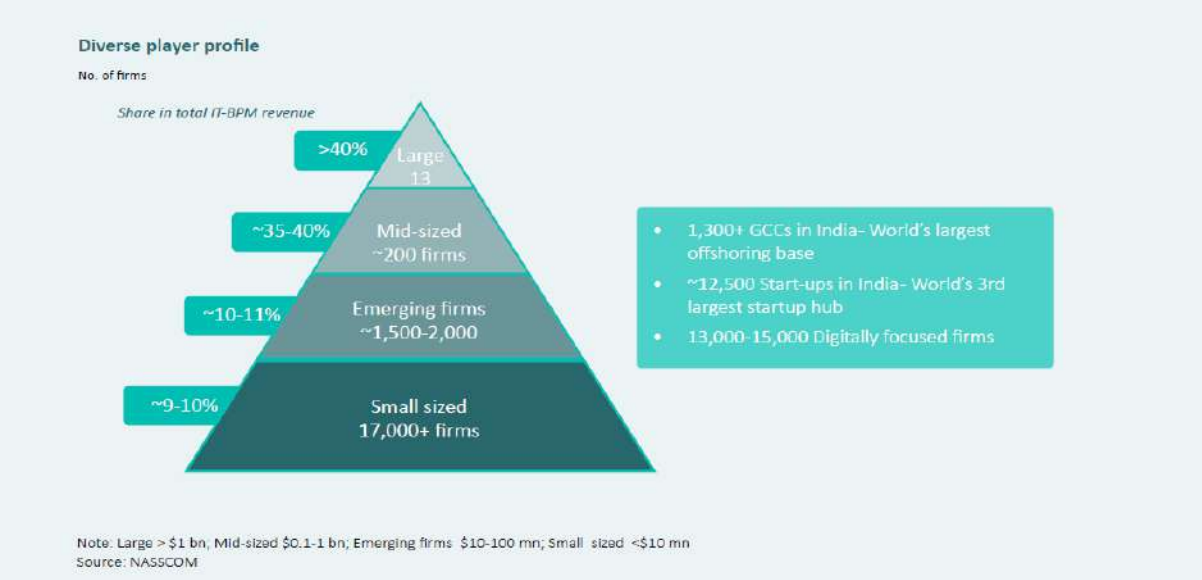
Products to Platforms to As-a-Service Shift: Enterprises are leveraging cloud system to build a platform approach, leveraging data and analytics to get a 3600 view of the business and drive new revenue streams. This approach is helping them with data-driven decision making and a shift from a one-time product sales approach to a recurring Product-as-a- Service model (subscription based service or pay-per-use model).

Hardware-centric to Software-centric (Softwarization): Applied largely to communications sector (telecom, mobile, wireless), softwarization of networks is being driven by the increasingly connected world – smart cities, smart grids, smart factories, smart medicines – basically, smart everything. 5G networks are expected to deliver seamless bandwidth experience as internet traffic grows exponentially, particularly bandwidth heavy applications like gaming, video, etc. Network slicing as-a-service and the overall 5G E2E service platform unification will be realized by network softwarization and virtualization using SDN, NFV and cloud computing technologies.

Digital Engineering – 40% share in global ER&D spend by 2023: Increasing maturity and applications of technologies like AI/ML, IoT/Edge, industrial robotics, additive manufacturing, etc. has led to a shift in ER&D spend from the more conventional engineering (electric, mechanical) to digital. Engineering talent is also following this trend as ER&D firms look to up-skill/crossskill employees around these technologies. According to Zinnov, digital engineering spend is expected to grow at CAGR 18% over 2018-2023 to reach $667 billion by 2023, a 2X growth. The share of digital engineering would increase from the current ~25% to about 40% over this period.

Virtual Engineering – The Reality of a Simulated World: With the aim of failing fast and a faster time-to-market, enterprises have been investing in developing digital twins and digital threads. The pandemic will further spur growth in these areas with companies investing in building end-to-end digital data continuity across the entire product life cycle.

ITeS Industry in India

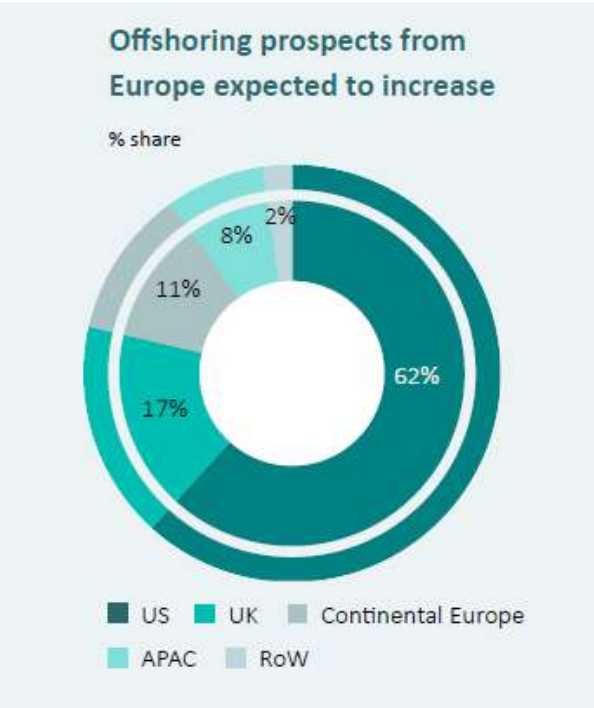


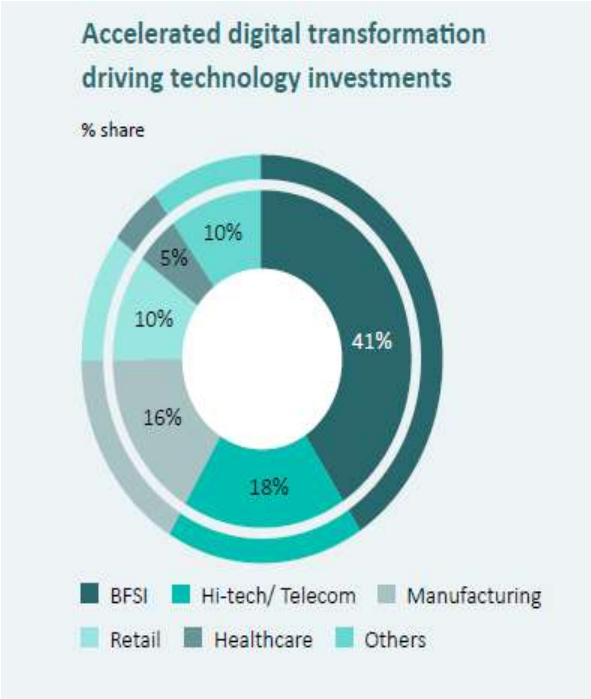
Manufacturing Tech Trends

- Shift from scheduled operations to real time action: Internet of Things integration into traditional equipment and production processes has greatly reduced costly failure of production lines and ensured more data-based decisions
- Precision achieving, risk mitigated and touchless operations: Labour intensive organisations realised robotics can be an efficient, agile, scalable and less risky way to keep processes running
- Intelligent, predictive, operations and maintenance: AI-based deep learning algorithms have channelled massive machine data generated from automation and Internet of Things to deliver intelligent pre-emptive interventions
- Complete backward integration and value chain visibility: Technology convergence and connected solutions are being increasingly sought to connect in-plant with incoming and outgoing goods for a digital value chain view

BPM Sector Trends

- Industry moving from pure services to platform solutions and new revenue streams
- Data and advanced analytics driving growth
- Key acquisitions focussing on building capabilities leverage synergies in the digital and customer experience services segment, and expanding client business and relationships





Key trends to watch for in 2021-22

1. **IT Services**

- Demand for managed cloud services market
- IT consultancy for digital transformation & modernisation
- SI services around cloud migration
- Increased use of low-code/no-code

2. **Business Process Management**

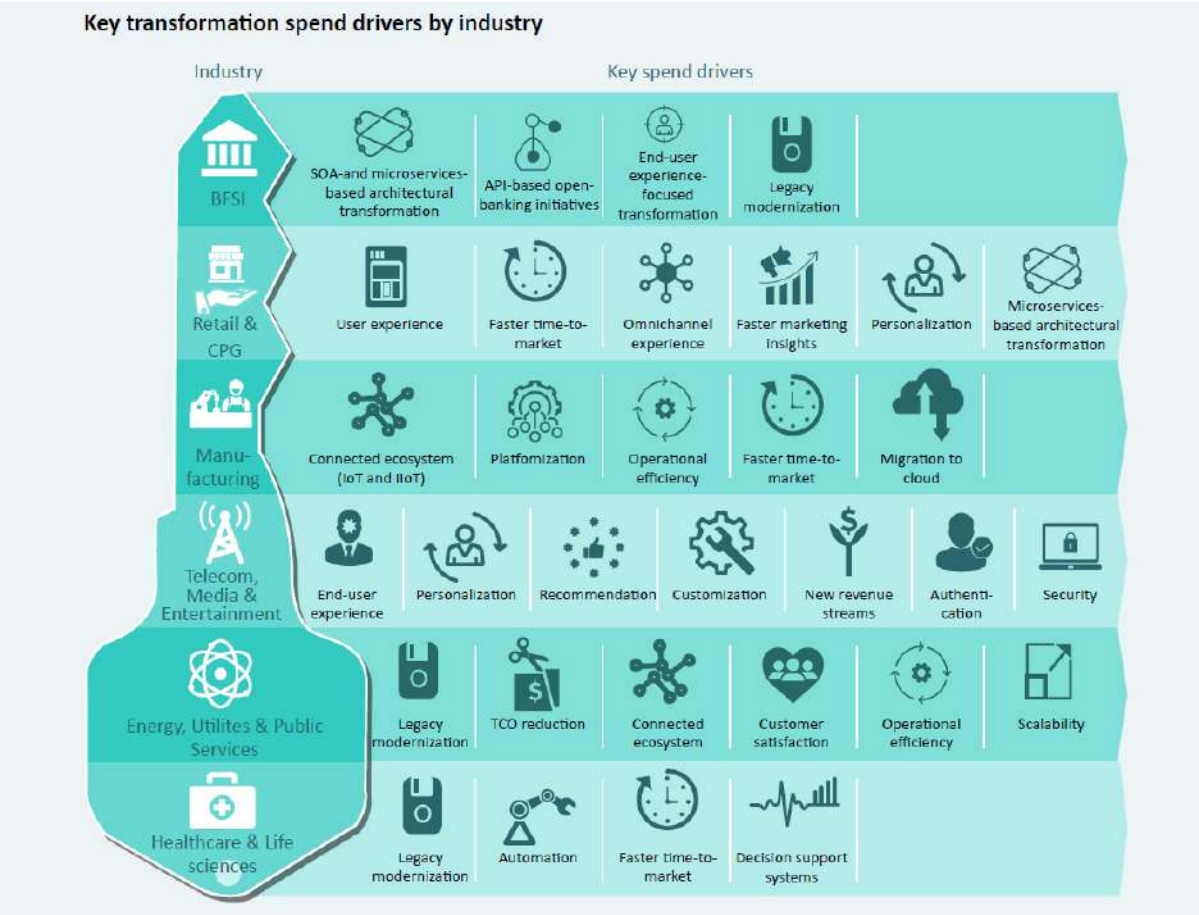
- Hyper automation becomes a norm
- 5Ds driven growth – Design-led, Domain, Distributed workforce, Data & digital and DevOps
- From services to platforms & solutions
- Opportunities – new and established revenue streams

3. **Software Products**

- Growing SaaS capabilities
- Driving growth by using – data analytics, collaborative software, cyber security, database and access management
- 'Built in India for the World' products

4. **Engineering Research & Development**

- Sustainability engineering – zero emission initiatives, hydrogen as fuel, e-mobility
- Digital engineering – edge computing, electrification, data monetisation
- Growing services – supply chain resilience, contactless products & solutions



Initiatives and way ahead:

1. 80% respondents agree that location from where work is delivered is immaterial

2. Enterprises' investments are led by emerging technologies such as Cyber Security, Artificial Intelligence/Machine Learning, Internet of Things and Mobility

3. The hybrid working model helped tech companies structurally by bringing down costs by 25-35% on an average. The marketing expenses/discounts are unlikely to go back to original levels even after the COVID situation is addressed given the customer pull.

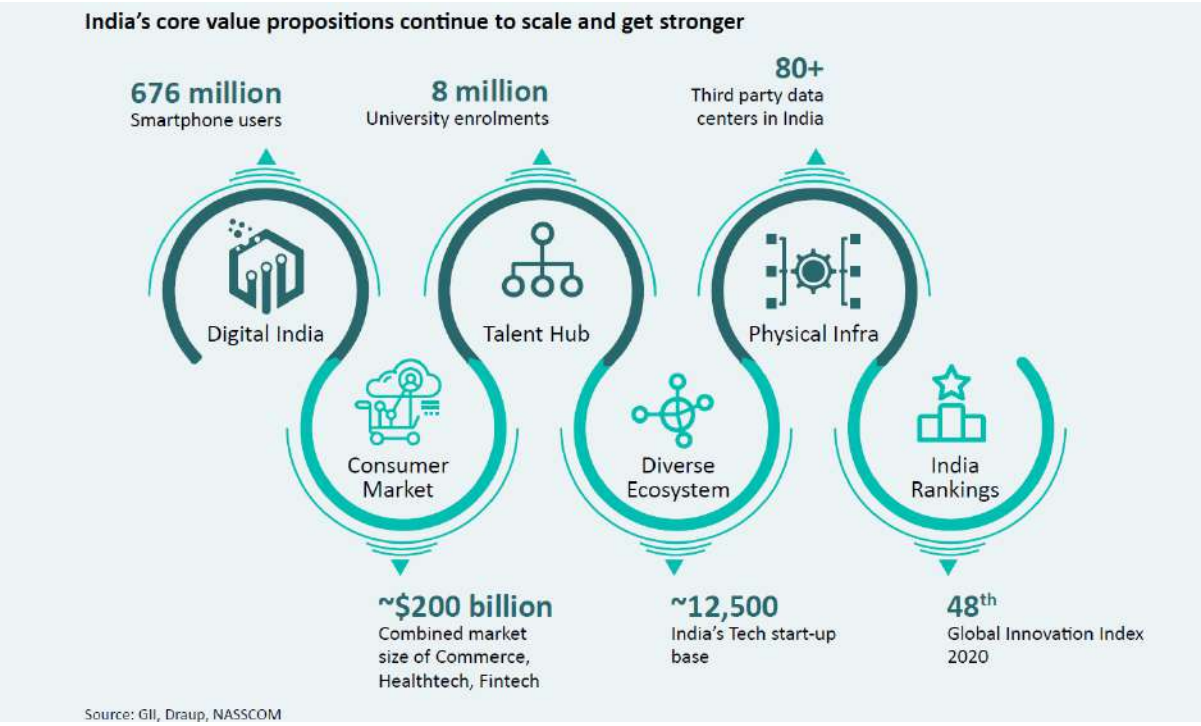
4. India currently employs 4.47 million of IT-BPM talent pool of which 1.2 million are categorized as digital talent pool. This is expected to grow at a CAGR of 28-32% (FY20-24).

5. Growing investments by global MNCs like Microsoft, Uber, Google, Oracle etc. in India is expected to amplify the rising demand for talent in India. Firms have also continuously focused on upskilling and reskilling the existing talent pool.

6. India's strengths at technology at a time like this makes it an opportune moment to position India as one of the leaders of the 'Emerging World Order'

7. Indian Tech Industry is focusing on building strategic partnerships by co-investing and collaborating in future projects with CoEs, start-ups, government, and other stakeholders.

8. Staying close to the client is another imperative for the industry. Companies are providing differentiated client services, "Go-to" trusted digitalization solutions to stay ahead of the game in the crisis.



Source: Technology Sector in India 2021, NASSCOM – February 2021

The Digital Transformation Imperative

Consumers of technology – established companies, startups and increasingly governments across India –have unequivocally suggested significant increase in digital investments over the next 18 months. During the pandemic, as retail consumers shifted all procurement and consumption online, certain end user segments experienced phenomenal growth:

GovTech – government's adoption of digital technologies in reporting COVID-19 updates, medical readiness, and care details in real-time, and enabling contactless services

HealthTech – digital healthcare transformation to address the growing demand for virtual consultation services, remote diagnostics and monitoring, and accelerated drug research

FinTech – startups and incumbents pioneer innovative customer propositions and a complete digital, touchless experience, while revising business model for profitability

Manufacturing Tech – digital technologies to help align demand and supply rapidly, while lowering cost of failures and ensuring capacity utilization with fewer workforce

Retail Tech – greater online+offline partnerships to sustain, enhanced omni-channel capabilities, better inventory visibility, and connected digital platforms for market access

EdTech – online learning using a mix of workplace and education technologies, delivered across digital devices, thus significantly lowering psychological barriers to online education

As India aims towards a $1 trillion digital economy by 2025, digitization of traditional sectors will see stronger push at unseen agility, alongside evolution of new digital-native business models.

2021-22 Annual Outlook

For most, the future will be markedly different with growing number of organizations across sectors accelerating their digital transformation efforts not only to make their operations nimbler and more efficient but to quickly respond to dramatic fluctuations in demand and customer expectations.

Global IT spend is predicted to rebound in 2021, majorly in the USA and Europe. Fastest growth is expected in the Software segment, followed by Services and Hardware; Security, Cloud and Software upgrades are the top three IT Services-related initiatives in 2021. Accelerated adoption of technologies such as cloud computing, RPA, AI/ML, IoT and 5G will likely promote the IT sector's growth. Enterprises will continue to digitize their customer and supply chain interactions globally. Consolidating vendor relationships will see a surge as a flight to quality and rationalization of service providers.

The Indian technology industry recovery is expected to strengthen further in 2021. The Technology industry is set to witness accelerated demand for migrating workloads (storage/ processing) to public cloud; improvement in Indian IT services' client spending will be witnessed; deal sizes will get larger. Potential market from 5G related IT spending is predicted; firms will increase spend on cloud, security and risk, networks, mobility, chatbots/RPA bots combined with conversational intelligence and other intelligent automation for workplace changes (incl. work-from-home).

"Skills-first" hiring to be a fundamental trend in India; continuous learning will be on everyone's agenda. "Blended work environment" will see a surge. Consumers will weigh brands driven by their values more; growth of online retailers will continue relentlessly and offline retailers will be forced to go digital to survive. Rise of digital customer experience – firms will leverage tools like CRM systems, social media management software and customer feedback management tools. Increased importance on data and cybersecurity; implementation of hyper-automation to drive end-to-end automation and deliver a superior customer experience will accelerate in 2021.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 22, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92 and 96, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company was originally incorporated as 'Advanced Synergic Microsystems Limited' on August 10, 1992 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Karanataka at Bangalore. Subsequently, pursuant to a special resolution passed in an annual general meeting dated September 29, 2000, the name of our Company was changed to its current name; i.e. 'ASM Technologies Limited' and a fresh certificate of incorporation consequent on name change was issued to our Company by the Registrar of Companies, Karnataka at Bangalore. The corporate identification number of our Company is L85110KA1992PLC013421. Our Company made its an initial public offering in the year 1994, of 18,50,000 Equity Shares of ₹ 10 each at par aggregating to ₹ 1,85,00,000 and listed its Equity Shares on BSE.

Established in 1992, ASM Technologies Limited is a public listed company (BSE: ASMTEC | 526433) in India with global presence in USA, Singapore, UK, Canada, Mexico and Japan. With over two decades of experience, our Company specialises in in the areas of engineering services, product ER&D with successful offshore development. Our Company also has support centres in India and overseas.

As on date, our business activities are carried out through the following subsidiaries:

1) RV Forms & Gears LLP, India, (Subsidiary)
2) ASM Digital Technologies Pte Ltd. (*Formely Advanced Synergic Pte Ltd, Singapore*) (WOS)
3) ASM Digital Engineering Private Limited (WOS)
4) ASM Digital Technologies Inc. (*Formerly known as Pinnacle Talent Inc., USA*) (WOS)
5) ASM Technologies Kabushiki Kaisha Japan (WOS)
6) ASM HHV Engineering Private Limited
7) ESR Associates Inc, USA (Step down Subsidiary)

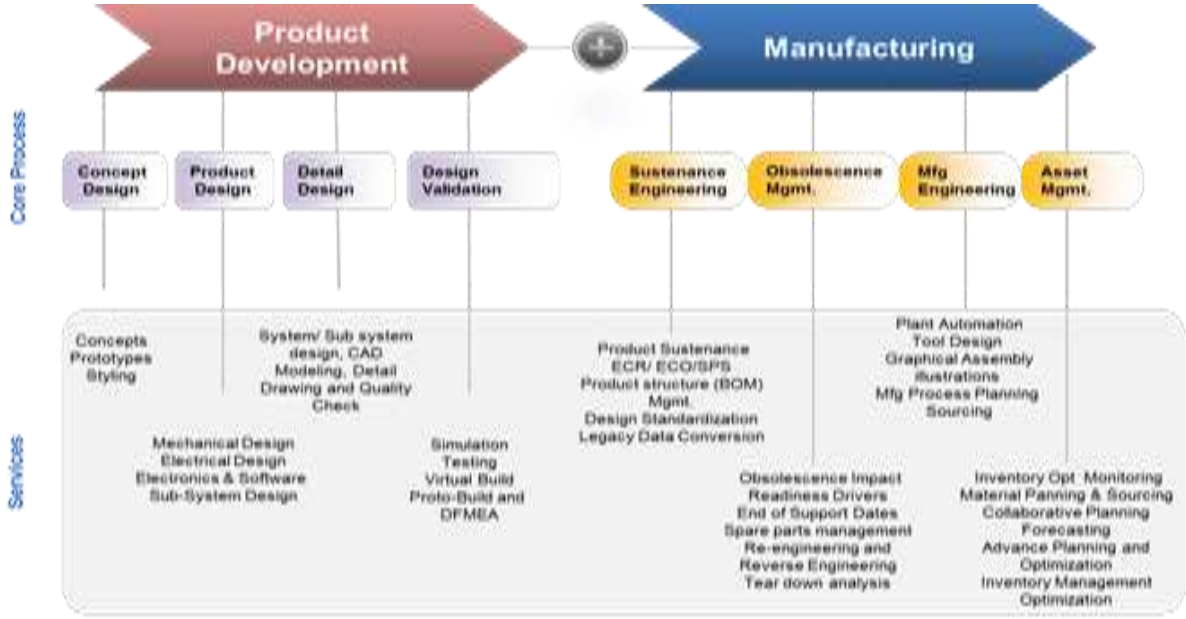
In FY 2021, our Subsidiary RV Forms & Gears LLP has launched its own patent-pending solution SmartFix 4.0 - a one-of-a-kind solution for the manufacturing industry. SmartFix 4.0 is an industrial AI solution offering a potent combination of hardware, software and data analytics to increase manufacturing yield and throughput.

Services:
Our core business services includes the following:

- Engineering services
- Product R&D

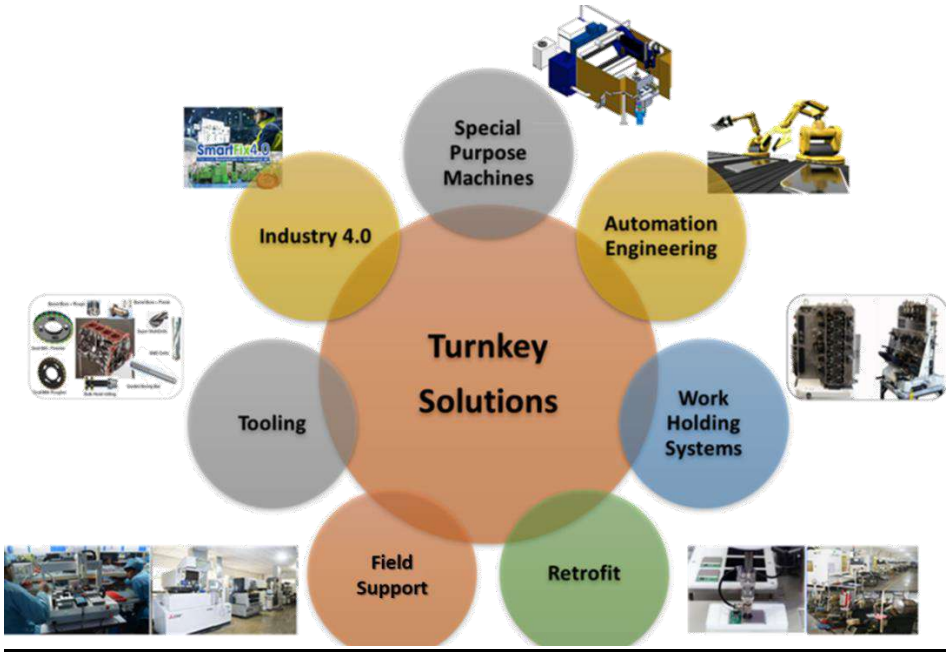
Engineering Services

We specialise in planning, designing and engineering complex hi-tech systems for semiconductors and electronics industry and transportation and healthcare sector.



Manufacturing Engineering

With a diverse family of electronic and mechanical engineers, we ensure smooth delivery for our clients in the manufacturing sector. Below is a snapshot of the various services provided by us to our customers in the manufacturing sector:



Product ER&D Services

We conduct research and provide value-added development solutions in the following areas:

Industry Verticals ASM focusses on:

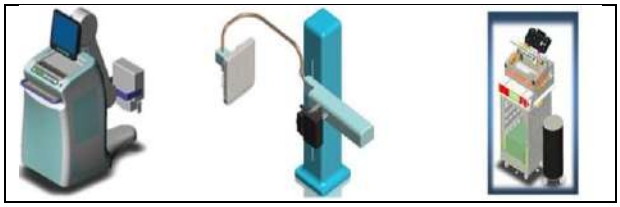
Semiconductors

Semiconductors are widely used in every industry segment starting from healthcare, high-tech industries like aerospace and aviation industry. Semiconductors are used for highly critical devices where the performance, reliability and accuracy cannot be compromised in varied kinds of environments.

Our Company has experience in serving reputed semiconductor equipment manufacturing companies and has requisite expertise and understanding of design and development of system and sub-systems. In the semiconductor industry, our core business services includes the following:

- ✓ Design and Development from concept to realization
- ✓ Continuous Improvement projects and Co-Creation
- ✓ Sustenance Engineering
- ✓ 24/7 Infrastructure/ Network Management and support
- ✓ Application Software Development and Support
- ✓ IoT
- ✓ Virtual Reality (VR)
- ✓ Cloud Based Learning Platform Development and management

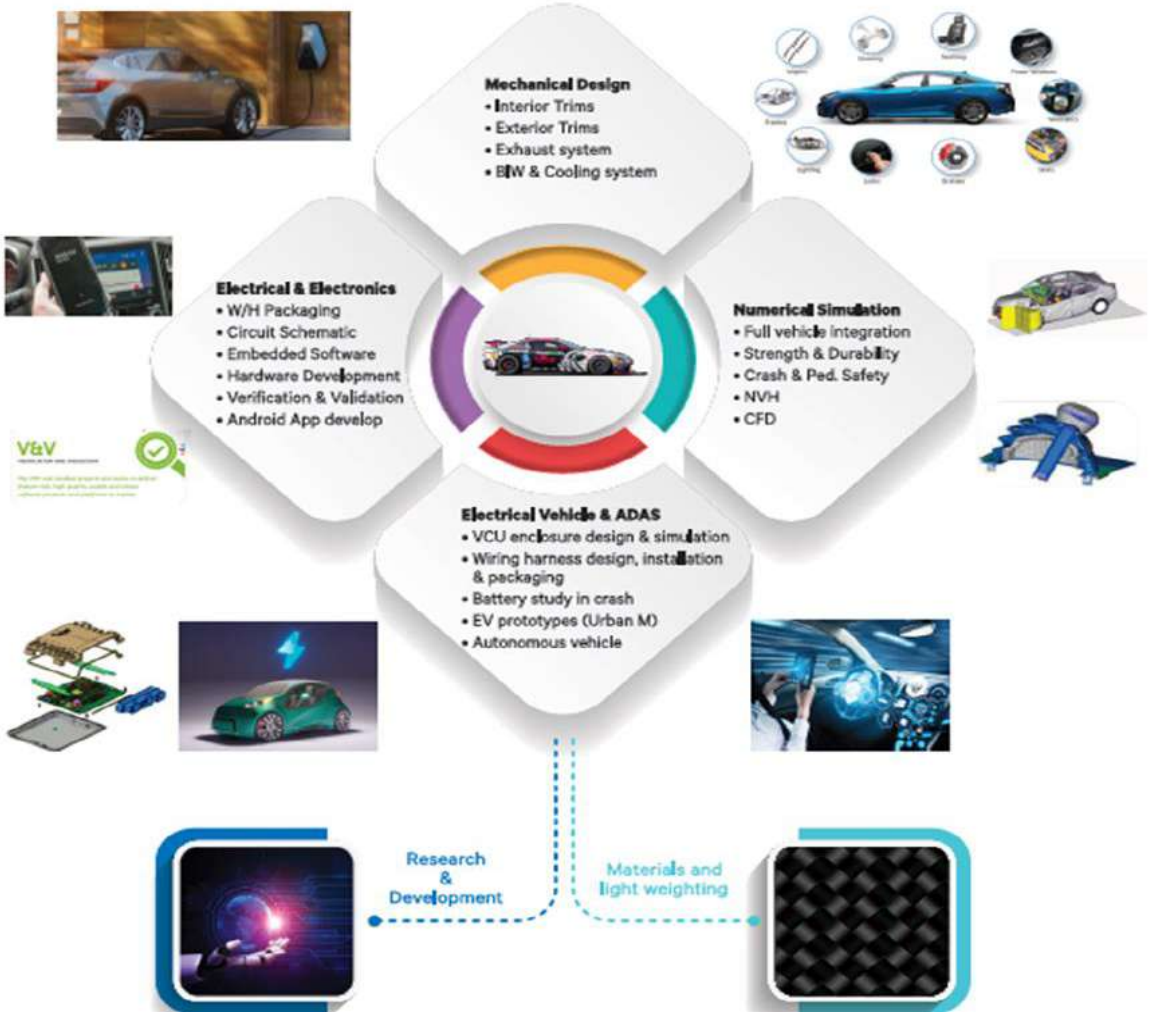
Medical



Our areas of expertise in Medical equipment/system design and development includes:

- ✓ Mechanical, Electromechanical
- ✓ Electronics Hardware Design and Development
- ✓ Firmware
- ✓ Manufacturing
- ✓ Embedded Systems
- ✓ Test Rigs/ Fixtures
- ✓ Prototyping and Testing

Automotive Industry



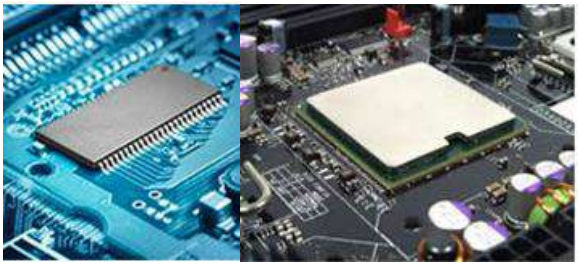
Service offerings by our Company:

- Product Design and Value Engineering
- CAE, CFD Simulation
- Electronic Hardware Design and Development
- Embedded Systems Design and Development
- Re Engineering, Reverse Engineering

- Mold Tool Design and Development
- Test Fixtures/ Rigs/ Automated Test Equipment
- Prototyping, Testing and Manufacturing
- Engineering Design Change Management
- PLM/ PDM Support

Vehicle Engineering:

Hi-tech / Engineering Services



Our Company provides engineering solutions to below industrial verticals:

Semiconductor: VLSI/FPGA design services, IP integration, Platform and sub system Solutions, Verification and Validation

Industrial Electronics: Hardware Design, End – End Product Development, Enclosure Design, Design and Re-Engineering at low cost, ROHS, WEE compliance and UL, CE certifications, embedded software development

Storage: Our expertise in Servers and Storage extends from scalability testing, test automation and server interoperability testing for servers to device development, command and functional testing and application and benchmark testing for storage devices. We are also focused on developing industry leading solutions in Software Defined Storage.

To the above industries as well as other industries / companies and opportunities that present itself, our Company is geared up to provide the following services:

- ✓ Automation Solutions
- ✓ Compromise Assessment
- ✓ IT infrastructure capabilities
- ✓ Product Life Cycle

- ✓ Digital Engineering
- ✓ Internet of Things (IoT)
- ✓ Product R&D
- ✓ Virtual / Augmented Reality

ASM Ventures

Our Company has made strategic minority investments in early-stage technology oriented companies as below:

Baro Vehicles Limited, UK: Our Company acquired a minority stake in Baro Vehicles Limited, UK (**"Baro"**) in July 2018. Baro is a technology company that develops new generation machines to transport people and goods. It develops robots with AI to replace traditional cars and vehicles. Baro was started in 2015 by Gabriel Giani.
(https://www.barovehicles.com/about-us/)

Lavelle Networks Private Limited: Our Company acquired a minority stake in Lavelle Networks Private Limited in September 2018, which is into next generation WAN and Hybrid WAN Solution.
(https://lavellenetworks.com)

PolyLogyx LLC (acquired by EclecticIQ): Our Company has made a minority investment in PolyLogyx LLC in March 2020, which has since been acquired by EclecticIQ. As the creator of PolyLogyx Endpoint Platform, PolyLogyx OSQuery Agent and PolyLogyx Kernel Library, PolyLogyx has significant experience in the field of endpoint threat detection and response (EDR). EclecticIQ is a global provider of threat intelligence, hunting and response technology and services.
(https://www.eclecticiq.com/about)

IdeaSpring Capital: Our Company has made a minority investment in IdeaSpring Capital, Bengaluru in May 2017. IdeaSpring Capital is a SEBI registered Category I Venture Capital Fund which enables technovation (technology + innovation). Through its 'Startup Assist' program, Ideaspring Capital helps its portfolio companies to build scale in product management, customer management, and building products for a global footprint.
(https://www.ideaspringcap.com)

Recent Acquisition

Our Company has recently in October 2020 executed a business acquisition agreement for acquiring the India unit of Semcon AB, Sweden, known as Semcon India Private Limited (now our wholly owned subsidiary and known as ASM Digital Engineering Private Limited) and had also signed a global agreement with Semcon AB, Sweden to enhance growth opportunities and market access in Europe. This acquisition of Semcon's India unit shall help us expand our delivery expertise in engineering services, with focus on Automotive and Digital Engineering and giving our Company access to marquee customers in North and Central Europe. Besides this acquisition we have also made strategic investments in several emerging technology companies through ASM Ventures. We have also entered into Global Cooperation Agreement with Semcon AB, Sweden to provide them access to India's unrivalled scale and capability base for Engineering Services. Pursuant to the agreement, both the companies will collaborate to scale by reciprocal access to a combined talent pool and strong capabilities in key areas such as

Product Design and R&D, Embedded and Electronics, Value Engineering, Digital Engineering and Manufacturing Engineering.

Our revenues percentage from our core services can be broadly classified as under:

Particulars	Q1, Fiscal 22 (Consolidated)		Fiscal 2021 (Consolidated)		Fiscal 2020 (Consolidated)	
	Amt (₹ millions)	% of Revenue	Amt (₹ millions)	% of Revenue	Amt (₹ millions)	% of Revenue
Engineering Services	330.87	79.46%	1050.74	76.48%	580.97	63.14%
Product R&D	68.25	16.39%	228.2	16.61%	244.2	26.54%
Manufacturing Engineering	17.28	4.15%	94.94	6.91%	94.96	10.32%
Total	416.40	100.00%	**1373.88**	100.00%	**920.13**	100.00%

Impact of Covid -19 on our business operations

We have considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, our company, as at the date of approval of the financial statements has used internal and external sources of information to assess the expected future performance of our company. We have internally performed sensitivity analysis on the assumptions used and based on the current estimates, and expects that the carrying amount of the assets, as reflected in the balance sheet as at March 31, 2021, are fully recoverable. Our management has estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due.

Our Competitive Strengths

Experienced management team

We are led by a group of individuals, having background and experience in the information technology enabled services industry. Our management comprises of professionals who have the requisite academic background and relevant industry experience. Mr. Rabindra Srikantan, our Promoter and Managing Director has a vast experience of more than two decades. The management team actively participates in all areas of the business and its operations.

Our team is well qualified and experienced in the industry to which our Company caters and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel please refer the chapter titled "*Our Management*" beginning on page 88 of this Letter of Offer.

Global Presence

Over the years, we have expanded our operations internationally to provide engineering consultancy services. Our key international geographies are India, USA, Canada, UK, Singapore, Japan, Mexico, China, Thailand, Vietnam and Brazil. We have 8 international offices spanning across USA, UK, Japan, Singapore, Canada, Japan and Mexico. As at September 30, 2021, we have 30 employees who are staffed at our international offices. For six months period ended September 30, 2021, our export revenues from sale of services constituted 44.79% of our total revenues from operations of ₹ 416.40 million.

Diversified business across several verticals

We possess multi-vertical industry expertise and provide a broad spectrum of product offerings and sufferings. As on September 30, 2021 we had 26 active customers in over 9 countries across various sectors such as medical, automotive, semiconductors etc. Our revenues from top 5 and top 10 customers across various sectors in recent fiscals are set out below:

	FY 21 (Consolidated)		FY 20 (Consolidated)	
Particulars	**Revenue (₹ millions)**	**% of Revenue from operations**	**Revenue (₹ millions)**	**% of Revenue from operations**
Top 5 customers	1,006.73	73.28	757.59	82.34
Top 10 customers	1,145.88	83.40	839.69	91.26

This has helped us build solution frameworks which are enriched with domain knowledge from the relevant sector and subject matter experts across several industries.

Business Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Continue to invest in and develop our technological capabilities

For Fiscals 2021 and 2020 we spent ₹ 56.69 million and ₹ 12.45 million, respectively, towards software, hardware and material costs. These expenses represented 4.13% and 1.35% of our total revenue from operations for Fiscals 2021 and 2020 respectively. As at September30, 2021, we had 48 full-time employees in our research and development team which includes technical collaboration with IISC. We plan to continue to invest more in research and development and focus on artificial intelligence, machine learning, virtual reality, mobile applications etc. We strive to leverage our industry expertise, technological capabilities and business process skills to help customers discover and create new enterprise models. In the past, we have made strategic investments through ASM Ventures in several emerging technology companies while co-creating innovative new products in future-focused areas such as Cloud. Some of our minority, but strategically important investments are in the following companies: Lavelle Networks, Polylogyx Inc, BARO Vehicles Ltd (UK) and Ideaspring Capital. We believe that such efforts shall keep us abreast of the latest developments in the diverse field of information technology and also drive us into innovation and adopting solutions in line with rapidly evolving technological trends.

Selectively Pursue Strategic Acquisitions

We plan to selectively pursue acquisitions. Our focus is on augmenting our core capabilities to enhance our experience in new technologies and verticals and increase our geographic reach, while preserving our corporate culture and sustainably managing our growth. Consistent with these goals, in the past, we have completed the acquisition of Semcon AB's India delivery centre of Semcon India Private Limited (renamed as *ASM Digital Engineering Private Limited*) in October 2020. This acquisition has given access to marquee customers in northern and central Europe and has also accelerated our core strategic goals. Furthermore, as part of our strategy to expand our geographic footprint with high-quality global resources, we may pursue acquisitions of companies with significant synergies and presence in our areas of operations. Our acquisition strategy is shaped by our continued focus on acquiring scalable resources and developing a global, multi-shore operation with high-quality software engineering talent.

Attract, develop and retain skilled employees to sustain our service quality and customer experience

We conduct lateral hiring through a dedicated ER&D professional talent acquisition team whose objective is to locate and attract qualified and experienced ER&D professionals within the relevant region. We aim to develop our position as a preferred employer in the Indian ER&D services industry and place a high priority on attracting, training and retaining our employees, which we believe is integral to our continued ability to grow our customer relationships. We aim to continue to dedicate resources to the training and development of our ER&D professionals. We also provide management and soft skills training, intensive workshops and management and technical advancement programs. We are committed to systematically identifying and nurturing the development of middle and senior management through formal leadership training. We intend to continue to organise development and networking events for our employees. We intend to continue our mindful approach towards systems, people and practices.

Widening our customer base by entering into new geographies

We aim to pursue growth strategies to expand our market share across key geographies and solutions. As of September30, 2021, we serve our clients located in India, Singapore, Canada, USA, Japan, Mexico, Thailand, Vietnam and Brazil and believe that we have a significant opportunity to grow our international footprint. We

intend to cater to the increasing demand of our existing customers by widening our market reach to areas in which we do not operate currently. Our emphasis is on expanding the scale of our operations as well as growing our network, which we believe will provide opportunities to grow our client base increase our market share, revenues and profitability. The domestic market offers various opportunities in term of sub-geographic penetration and market diversification which we intend to seize and increase our market share by exploring untapped markets and segments by innovating value added services in line with the demand of our customers. We shall also continue to explore opportunities in different regions of Asia and Europe, particularly Japan and UK to enhance our geographical reach.

Improving operational efficiencies

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We are addressing the increase in operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements, learnings, training and skill development. Further we believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products/suite of services will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.

Technology and Process

Our Company is not a manufacturing company. We, along with our subsidiaries provide world class consulting and information technology product development services in the areas of digital engineering services, product ER&D services for our global clientele. The technology we deploy is latest and the processes used for the deploying the same for our clientele is always focussed on efficiencies in terms of time and resources.

Our Collaborations

In November 2020, we have entered into research collaboration arrangement with Indian Institute of Science (IISC), Bangalore. IISc is a centrally funded technical Institution, a deemed university and an autonomous body funded by the Ministry of Human Resource and Development, Government of India. The collaboration, which is valid for a period of three (3) years, shall explore possible collaborative relationship for research, development and education and to discuss and utilise Centralised Facilities of Centre for Nano Science and Engineering (CeNSE) for fabrication and characterization in the field of semiconductor products and tools development.

Subsisting collaborations, any performance guarantee or assistance in marketing by the collaborators, infrastructure facilities for raw materials and utilities like water, electricity, etc.

Except as stated above, our Company does not have any collaborations or any marketing assistance from any collaborators.

Sales and Marketing

The efficiency of the marketing and network is critical to success of our Company. Our success lies in the strength of our relationship with the clients who have been associated with our Company. Our team through their vast experience and goodwill built over the years with these clients, owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Our marketing team is handled by senior management who has rich industry experience. To get repeat orders from our customers, our team has adequate experience and competencies, regularly interact with them and focus on gaining an insight into the additional needs of customers. We intend to deepen our existing relationship with current clients and also expand our existing customer base by reaching out to other potential clients in existing and new geographical areas.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As on September 30, 2021 we had 1142 full time employees. The following table sets forth a bifurcation of the number of our employees:

Sr. No.	Description	Total No. of Employees	Based in India	Based abroad
1	Promoter Management	1	1	Nil
2	Top Management	18	13	5
3	Corporate support staff (Accounts, Secretarial, office staff)	37	34	3
4	Business operations / Analysts	1,069	1,053	16
5	Sales / Marketing /Business	17	11	6
	Total	**1,142**	**1,112**	**30**

Competition

We face competition from various domestic and international players of varying sizes, operations and financial resources. The Industry which we cater to is highly competitive and fragmented with many small and medium-sized companies as well and global corporations, including based out of India. We intend to continue competing vigorously to capture more market share and manage our growth and profitability in a sustainable manner.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility ("CSR") initiatives towards Social Responsibility by contributing to social causes, primarily directed towards children, science, sports, and the elderly through charitable trusts. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with legal requirements under the applicable Indian laws. In furtherance of the same, we had undertaken CSR activities through donations to Go sports, Dr. S Srikantan Memorial Award – SUSIEC, IETE, Dr. R.P. Shenoy award for Excellence in Science – Kendriya Vidyalaya, DRDO, Techlabike Programme – Agastya International Foundation, Sri Sathya Sai Annapoorna Trust, Indhayangal Charitable Trust, which focuses on health , education and sports. We have spent an amount of ₹ 0.30 million towards our CSR initiatives during Fiscal 2021.

Insurance

We maintain standard insurance policies for our assets and our employees. As on September30, 2021, our material policies included: (i) group medical insurance policy (ii) group personal accident policy (iii) Directors & Officers liability insurance (iv) Asset Insurance Fire & Standard Peril Policy and (v) Group Term life insurance Policy. The insurance policies are reviewed periodically to ensure that the coverage is adequate. However, notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position. See "*Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition"* on page 28.

Capacity and Capacity Utilization

We are mainly engaged in the service industry, manufacturing revenue is less 10% of the total revenue. Therefore any data relating to capacity and capacity utilization is not applicable to our Company.

Intellectual Property

Trademark:

Our Company owns the following trademarks:

S. No.	Particulars of the mark	Number	Class	Valid upto
1.	Synergic– (Word Mark)	3970715	07	11/10/2028
2.	Synergic (Word mark)	3970716	09	11/10/2028

S. No.	Particulars of the mark	Number	Class	Valid upto
3.	Synergic (Word Mark)	3970717	12	11/10/2028
4.	Synergic (Word Mark)	3970718	42	11/10/2028
5.	Synergic – ASM TECHNOLGIES (Word Mark)	3970719	07	11/10/2028
6.	Synergic – ASM TECHNOLGIES (Word mark)	3970720	09	11/10/2028
7.	Synergic – ASM Technologies (Word Mark)	3970721	12	11/10/2028
8.	Synergic – ASM Technologies (Word Mark)	3970722	42	11/10/2028
9.	SYNERGIC (Device)	3970723	07	11/10/2028
10.	SYNERGIC (Device)	3970724	09	11/10/2028
11.	SYNERGIC (Device)	3970725	12	11/10/2028
12.	SYNERGIC (Device)	3970726	42	11/10/2028
13.	SYNERGIC (Device)	3970727	07	11/10/2028
14.	SYNERGIC (Device)	3970728	09	11/10/2028
15.	SYNERGIC (Device)	3970729	12	11/10/2028
16.	SYNERGIC (Device)	3970730	42	11/10/2028
17.	SYNERGIC ASM Technologies Limited (Device)	3970731	07	11/10/2028
18.	SYNERGIC ASM Technologies Limited (Device)	3970732	09	11/10/2028
19.	SYNERGIC ASM Technologies Limited (Device)	3970733	12	11/10/2028
20.	SYNERGIC ASM Technologies Limited (Device)	3970734	42	11/10/2028
21.	SYNERGIC ASM TECHNOLOGIES engineering innovation (Device)	4168447	07	06/05/2029

S. No.	Particulars of the mark	Number	Class	Valid upto
22.	(Device)	4168448	09	06/05/2029
23.	(Device)	4168449	12	06/05/2029
24.	(Device)	4168450	42	06/05/2029
25.		4168451	07	06/05/2029
26.	(Device)	4168452	09	06/05/2029
27.	(Device)	4168453	12	06/05/2029
28.	(Device)	4168454	42	06/05/2029

Property

We carry out our business operations from the following properties:

a) Freehold property:

Sr. No.	Particulars of the Property	Usage
1.	80/2, Lusanne Court, Richmond Road, Bangalore -560025 Area: 11500 sq.ft Usage: Registered office and Corporate office	11,500 sq.ft

b) Leasehold property:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease Agreement executed on June 27, 2019 between Information Technology Park Limited ("**Lessor**") and our Company ("**Lessee**").	International Tech Park, Unit 12, 7th Floor, Discoverer Building, ITBP, Bangalore -560 066, Karnataka, India.	Security Deposit of ₹ 70,499/- Rent of ₹ 90,000/- per month	3 years	Used for Business
2.	Lease Agreement executed on September 01, 2021 between Mr. K. Selvaraj and Mr. K. Sunder ("**Lessors**") and our Company ("**Lessee**").	Unit No. 2, Wellington Accord, No. 14/2, Richmond Town, Bengaluru – 560 025, Karantaka, India with three cae parking slots at stilt level and at the basement level	Security Deposit of ₹ 1,327,750/- Rent of ₹ 4,11,957/- with annual increase as per agreement	A period of 3 years commencing from September 01, 2021	Used for Business

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
3.	Lease Agreement executed between Coventry University Enterprises Limited ("**Lessor**") and our Company's UK Branch ("**Lessee**").	Office ECG 3a, Enterprise Center, Coventry University Technology Park, Puma Way, West Midlands, London, United Kingdom	£ 4,597.80 per annum	A period of 1 year commencing from December 04, 2020	Used for Business
4.	Virtual Office Agreement executed between Regus and our Company for renewal of services availed from Regus	Techmart Center, 5201 Great America Pkwy, Suite 320, Santa Clara, California – 95 054, United States of America	$249.00 per month	A period of 1 year commencing form 01 July 2021	Used for Business
5.	Virtual Office Agreement executed with Regus and our Company for renewal of services availed from Regus	1 Dundas Street West, Suite 2500, Toronto, Ontario, M5G1Z3, Canada	$259.00 per month	A period of 1 year commencing form 01 July 2021	Used for Business

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than fifteen (15) Directors. As on date of this Letter of Offer, we have six (6) Directors on our Board, which includes, one (1) Executive Director, two (2) non-independent and Non-Executive Directors, on of which is a woman director and three (3) Independent Directors.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Vikram Ravindra Mamidipudi **DIN:** 00008241 **Date of Birth:** May 18, 1956 **Designation:** Chairperson and Independent Director **Address:** H.No. 16, Cardmaster Road, Arihant Enclave, 205 Akbar Road, Tadbund Manovikasnagar, Hydreabad – 500 009, Andhra Pradesh, India. **Occupation:** Professional **Term:** For a period of five (05) years w.e.f. April 1, 2019. **Nationality:** Indian	65	i. GTN Industries Limited ii. Ahlada Engineers Limited iii. Glochem Industries Private Limited iv. Evertogen Life Sciences Limited v. Shirdi Sai Electricals Limited vi. Wish Renewables Private Limited vii. GVPR Engineers Limited viii. Normark Fashions Private Limited ix. GTN Engineering (India) Limited x. ANA ARC Private Limited xi. ASM Digital Engineering Private Limited xii. Facebook India Online Services Private Limited xiii. H1 Life Sciences Private Limited xiv. M. Anandam Consultancy Services Private Limited xv. Triumphant Institute of Management Education Private Limited xvi. Institute of Insurance and Risk Management xvii. Life Skills and Livelihood Skills – International xviii. Chettinad Cement Corporation Limited
Rabindra Srikantan **DIN:** 00024584 **Date of Birth:** January 24, 1961 **Designation**: Managing Director *__Address:__ Villa No BE-36, Divyashree 77 East Yemlur Main Road, Off old Airport Road Bengaluru, Karnataka – 560 037, India. **Occupation:** Business **Term:** Reappointed for a period of five (05) years w.e.f. November 09, 2020 **Nationality:** Indian **Post filing of the Draft Letter of Offer dated January 14, 2022 with BSE, the residential address of Mr. Rabindra*	61	i. ASM Digital Engineering Private Limited ***Foreign companies*** ii. ASM Digital Technologies Inc iii. ASM Digital Technologies Pte Limited iv. ESR Associates Inc, USA

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Srikantan has been changed to the abovementioned address.		
Muthuswami Lakshminarayan **DIN:** 00064750 **Date of Birth:** September 7, 1946 **Designation:** Independent Director **Address:** No. 464 TTM Main Sadanand Nagar, NGEF Layout, Bangalore, Karnataka – 560 038, India. **Occupation:** Business **Term:** A period of five (05) years w.e.f. July 10, 2020 **Nationality:** Indian	75	i. Kirloskar Oil Engines Limited ii. Suprajit Engineering Limited iii. TVS Electronics Limited iv. Wabco India Limited v. Wendt India Limited vi. Dickinson Fowler Private Limited vii. TVS Automobile Solutions Private Limited viii. Sansera Engineering Limited ix. Kostal India Private Limited x. Brose India Automotive Systems Private Limited xi. Janaadhar (India) Private Limited xii. Invest Karnataka Forum
Preeti Rabindra **DIN:** 00216818 **Date of Birth:** October 17, 1965 **Designation:** Non - Independent and Non-Executive Director **Address:** G06 The Elgin, 11 Hosur Road Museum Road, Bengaluru, Karnataka – 560 025, India. **Occupation:** Business **Term:** Reappointed w.e.f. July 10, 2020. Liable to retir by rotation **Nationality:** Indian	56	i. Nil
Shekar Viswanathan **DIN:** 01202587 **Date of Birth**: November 16, 1956 **Designation**: Independent Director **Address**: K.S Viswanathan, 110, 6th Cross 2nd Main R.M.V 2nd Stage, S F H S, Bengaluru North, Karnataka – 560 094, India. **Occupation**: Business **Term:** Reappointed for a period of five (05) years w.e.f. April 01, 2019 **Nationality:** Indian	64	i. L&T- MHI Power Boilers Private Limited ii. L&T – MHI Power Turbine Generators Private Limited iii. Kirloskar Systems Private Limited iv. Ana Arc Private Limited v. ASM Digital Engineering Private Limited vi. Reconnect Energy Solutions Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Ramesh Radhakrishnan **DIN:** 02608916 **Date of Birth:** May 24, 1962 **Designation:** Non - Independent and Non-Executive Director **Address:** Villa No. 11, Palm Meadows Extension, Ramagondanahalli, Whitefield, Bengaluru, Karnataka – 560 066, Inida. **Occupation:** Business **Term:** Appointed w.e.f. June 02, 2020. Liable to retire by rotation **Nationality:** American	59	i. Artiman Capital India Private Limited ii. ASM Digital Engineering Private Limited iii. Yutaka Payment Systems Private Limited iv. Dyyno India Private Limited

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any of the stock exchange during the term of the directorship in such Company.

2. None of our directors is or was a directory of any listed Company which has been or was delisted from any stock exchange, during the term of their directorship in such Company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Our Key Managerial Personnel

In addition to our Chairman and Managing Director, whose details have been described and uploaded on our Company's website https://www.asmltd.com/about-us/, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Narsingh Lashker Rathod, aged 68 years, is the Chief Financial Officer of our Company. He graduated from the Karnatak Unviersity in the year 1978 with a bachelor's degree in commerce and thereafter completed his Bacheor of Laws in the year 1981. He became a certified associate member of the Indian Institue of Bankers in the year 1984. He has worked in State Bank of India, Bengaluru, for more than 30 years and retired as Chief Manager. His expertise lies in financial advisory and working capital management. He has been associated with our Company since 2015 and is responsible for handling the accounts and finance related functions of our Company.

Vanishree Kulkarni, aged 31 years, is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from University of Bangalore and is an associate of the Institute of Company Secretaries of India. She has been associated with our Company since 2019 and is responsible for handling secretarial function of our Company.

All our Key Managerial Personnel are permanent employees of our Company.

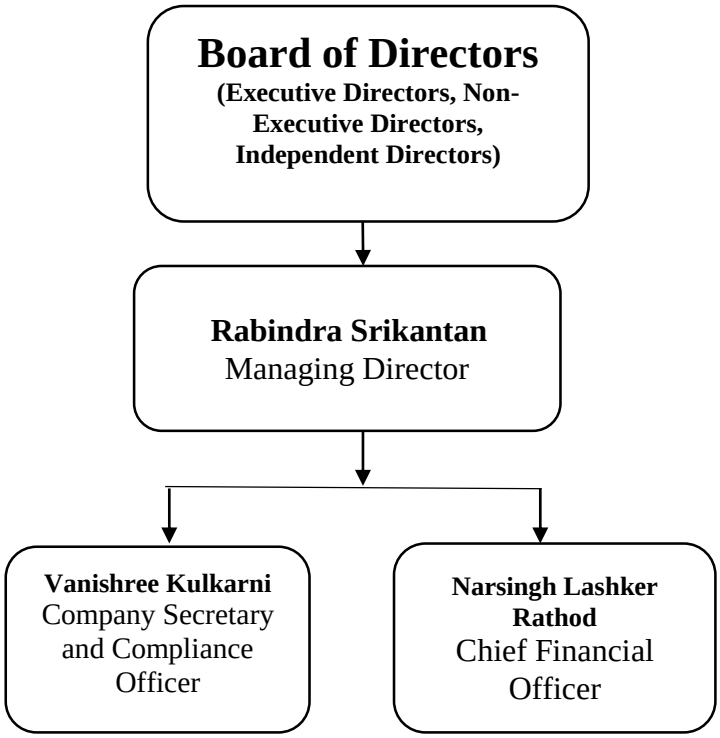
Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

None of the key managerial personnel are related to each other or to our Promoters or to any of our Directors except as stated below:

Sr. No.	Name of the Director	Relationship
1.	Rabindra Srikantan	Husband of Preeti Rabindra
2.	Preeti Rabindra	Wife of Rabindra Srikantan
3.	Akhil Rabindra	Son of Rabindra Srikantan and Preeti Rabindra
4.	Nikhil Rabindra	Son of Rabindra Srikantan and Preeti Rabindra

Management Organization Structure

Set forth is the organization work structure of our Company:



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Details	Page Number
1.	Audited Consolidated Financial Statements for the Fiscal 2021	F1 to F46
2.	Independent Auditor's Review Report on the Audited Consolidated Financial Statements for the Fiscal 2021	F47 to F53
3.	Limited Reviewed Consolidated Financial Statements for six months period ended September 30, 2021	F54 to F58
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6.	Statement of Material Developments after March 31, 2021	95

INDEPENDENT AUDITOR'S REPORT

To the Members of ASM Technologies Limited

Report on Audit of the Consolidated Ind AS Financial Statements

Opinion:

We have audited the Consolidated Ind AS financial statements of ASM Technologies Limited ("the Company") and its subsidiaries (collectively referred as "the Group") which comprise of balance sheet as at March 31, 2021, the statement of profit & loss, statement of changes in equity, the cashflow statement for the year then ended, and notes to Consolidated Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, loss, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Adoption of Ind AS 115 - Revenue from Contract with Customers as described in note 2 i. and note 17 of the Consolidated Ind AS financial statements:	
The Company has accounted revenue as per Ind AS 115 - Revenue from Contracts with Customers.	As part of our audit procedures, our procedures included the following: - We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.

Application of Ind AS 115, including selection of transition method involves significant judgment in determining when 'control' of the goods or services underlying the performance obligation is transferred to the customer and the transition method to be applied. As the revenue recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.	- We obtained and understood the revenue recognition process including determination of point of transfer of control and completion of performance obligation. - We performed test of details, on a sample basis, and examined the underlying customer contracts. - We examined the disclosures made by management in compliance with the requirements of Ind AS 115. **Conclusion:** Our procedures did not identify any material exceptions.

Other Matters:

i) We did not audit Advanced Synergic Pte Limited, subsidiary included in this Ind AS consolidated financial statements, whose financial statements reflect total assets of Rs.1.93 million as at March 31, 2021, total revenues of Rs.9.24 million, total net loss after tax Rs. 4.40 million as considered in these consolidated financial statements. The standalone financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is solely based on the report of the other auditor.

ii) Consolidated financial statements include unaudited financial statements of ESR Associates Inc., USA, whose financial statements reflect total assets of Rs.3.18 million as at March 31, 2021, total revenues of Rs. Nil million, total net loss after tax Rs.11.40 million as considered in this consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Company, these financial statements are not material to the Group.

iii) Attention of the members is drawn to note 41 of the financial statements regarding the impact of COVID-19 on Business, where the management has estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 Pandemic may be different from that estimated as at the date of the approval of these financial statements. Our report on the standalone financial statements have not modified in respect of this matter.

Other Information ["Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the board report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for Consolidated Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with6 the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:

   In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director/ manager by the Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed its pending litigations which would impact its financial position in note 32 of the Consolidated Ind AS financial statements.

   ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.

   iii) Company has not transferred an amount of Rs.438,434/- which became due for transfer to the Investor Education and Protection Fund (IEPF) in the financial year 2020-21.

For B.K.RAMADHYANI & CO LLP
Chartered Accountants
Firm Registration No. 002878S/S200021

(CA C R Deepak)
Partner
Membership No. 215398
UDIN: 21215398AAAABQ5086

Place: Bangalore
Date: May 26, 2021

ANNEXURE – A

REFERRED TO IN PARAGRAPH f UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF ASM TECHNOLOGIES LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

In conjunction with our audit of Ind AS consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal controls over financial reporting of ASM Technologies Limited ("the Holding Company") and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls:

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Holding Company and its subsidiary companies which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For B. K. RAMADHYANI & CO LLP
Chartered Accountants
Firm Registration No. 002878S/S200021

(CA C R Deepak)
Partner
Membership No. 215398
UDIN: 21215398AAAABQ5086

Place: Bangalore
Date: May 26, 2021

Consolidated Balance Sheet As At March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3.1	**122.98**	94.97
(b) Intangible Assets	3.2	**39.47**	52.34
Capital work-in-progress		**12.22**	3.42
Goodwill on consolidation		**0.73**	-
(c) Financial Assets		**-**	-
(i) Investments	4	**79.63**	51.68
(ii) Loans		**4.29**	1.15
(d) Deferred tax assets (net)	5	**41.97**	33.62
(e) Other non-current assets	6	**61.16**	126.23
Total		**362.45**	**363.41**
(2) Current assets			
(a) Inventories	7	**59.59**	37.76
(b) Financial Assets		**-**	-
(i) Investments		**91.18**	75.19
(ii) Trade receivables		**301.28**	211.68
(iii) Cash and cash equivalents	8	**30.29**	6.90
(iv) Bank balances other than (iii) above		**71.69**	59.76
(v) Loans		**6.37**	6.17
(vi) Others		**6.15**	3.74
(c) Other current assets	9	**227.90**	67.54
Total		**794.45**	**468.74**
Total Assets		**1,156.90**	**832.15**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	10	**100.00**	50.00
(b) Other Equity	11	**468.18**	454.06
Attributable to Equity holders of the parent		**568.18**	**504.06**
Non Controlling Interest		**4.33**	3.45
Total		**572.51**	**507.51**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	**77.93**	48.00
(b) Provisions	13	**13.06**	2.64
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities	14	**33.25**	11.31
Total		**124.24**	**61.95**
(2) Current liabilities			
(a) Financial Liabilities	15		
(i) Borrowings		**213.75**	151.02
(ii) Trade payables		**110.73**	36.01
(iii) Other financial liabilities		**26.01**	16.64
(b) Other current liabilities	16	**92.13**	59.02
(c) Provisions	17	**17.53**	-
(d) Current Tax Liabilities (Net)			
Total		**460.15**	**262.69**
TOTAL EQUITY AND LIABILITY		**1,156.90**	**832.15**

For and on behalf of Board of Directors
ASM Technologies Limited

In Accordance with our Report Attached
for **BK Ramadhyani & Co. LLP**
Chartered Accountants
Firm Registration No.: 0028785/ S200021

M R Vikram
Chairman

Rabindra Srikantan
Managing Director

M Lakshminarayan
Director

Shekar Viswanathan
Director

CA. C R Deepak
Partner
Membership No.: 215398

Ramesh Radhakrishnan
Director

Preeti Rabindra
Director

Narsingh Rathod
Chief Financial Officer

Vanishree Kulkarni
Company Secretary

Place: Bangalore
Date: May 26, 2021

Consolidated Statement of Profit & Loss for the Year Ended March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	Notes	Current Year	Previous Year
Revenue from operations	18	**1,373.88**	920.13
Other income	19	**32.54**	41.30
Total Income (i)		**1,406.42**	**961.43**
Expenses			
Cost of goods sold	20	**55.31**	41.75
(Increase)/ Decrease in Inventories	21	**(21.83)**	(12.91)
Employee benefits expense	22	**894.71**	641.60
Finance costs	23	**28.32**	16.85
Depreciation and amortization expense	24	**35.69**	29.45
Other expenses	25	**276.74**	226.04
Total expenses (ii)		**1,268.94**	**942.78**
Profit/(Loss) before tax [(i)- (ii)]		**137.48**	18.65
Tax expenses	35		
(i) Current tax		**54.42**	5.83
(ii) Deferred tax		**(2.95)**	5.85
Total tax expense		**51.47**	**11.68**
Profit/(Loss) for the year		**86.01**	**6.97**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**(1.45)**	(2.07)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.37**	0.52
Deferred tax on remeasurement of defined benefit plans		**-**	-
B (i) Items that will be reclassified to profit or loss			
Changes in fair value of investments in equity instruments		**(1.19)**	(1.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		**0.30**	0.34
(iii) Foreign currency transilation Reserve		**10.29**	(2.28)
		8.32	**(4.84)**
Total Comprehensive Income for the year		**94.33**	**2.13**
Profit/(loss) for the year			
Attributable to:			
Equity holders of the parent		**85.13**	**12.43**
Non-controlling interests		**0.88**	**(5.46)**
Other comprehensive income for the year			
Attributable to:			
Equity holders of the parent		**8.50**	(4.84)
Non-controlling interests		**(0.18)**	-
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		**93.63**	7.59
Non-controlling interests		**0.70**	**(5.46)**
Earnings per equity share [nominal value of share Rs.10 (March 31, 2018: Rs.10)]			
Basic and Diluted (in INR)	26	**8.60**	0.70

For and on behalf of Board of Directors
ASM Technologies Limited

In Accordance with our Report Attached
for **BK Ramadhyani & Co. LLP**
Chartered Accountants
Firm Registration No.: 0028785/ S200021

M R Vikram
Chairman

Rabindra Srikantan
Managing Director

M Lakshminarayan
Director

Shekar Viswanathan
Director

CA. C R Deepak
Partner
Membership No.: 215398

Ramesh Radhakrishnan
Director

Preeti Rabindra
Director

Narsingh Rathod
Chief Financial Officer

Vanishree Kulkarni
Company Secretary

Place: Bangalore
Date: May 26, 2021

Consolidated Cash Flow Statement For The Year Ended March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	Current Year	Previous Year
Cash flows from operating activities		
Profit / (loss) before tax	**137.48**	18.65
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	**35.69**	29.45
Finance costs	**28.32**	16.85
Interest income	**(13.24)**	(8.32)
Dividend income	**(0.01)**	(0.08)
Fair valuation of mutual fund	**(6.09)**	(13.97)
(Profit)/ loss on sale of Property, Plant & Equipment	**(0.01)**	
(Profit)/loss on sale of investments	**0.08**	-
Operating profit before working capital changes	**182.22**	**42.58**
Movements in working capital :		
Increase/ (decrease) in trade payables	**74.72**	(49.52)
Increase/ (decrease) in other liabilities	**29.39**	(33.38)
Decrease / (increase) in Inventories	**(21.83)**	(12.91)
Decrease / (increase) in trade receivables	**(89.60)**	58.24
Decrease / (increase) in other non current assets	**36.67**	-
Decrease / (increase) in other current assets	**(160.36)**	(31.25)
Decrease / (increase) in loans and advances	**(3.34)**	(1.17)
Increase / (decrease) in provisions	**23.94**	1.15
Cash generated from /(used in) operations	**71.81**	(26.26)
Direct taxes paid, net	**29.49**	58.24
Net cash flow from/ (used in) operating activities (A)	**42.32**	(84.50)
Cash flows from investing activities		
Purchase of Property, plant & equipment (including capital work in progress and capital advances)	**(60.35)**	(40.52)
Proceeds from sale of PPE	**0.07**	
Purchase of non current investments	**(29.14)**	0.22
Purchase of current investments	**(10.00)**	
Increase in non controlling interest	**0.88**	(5.46)
Increase/(decrease) in foreign currency translition reserve	**10.29**	2.28
Proceeds from sale of current investments	**0.02**	79.62
(Increase)/decrease in other bank balances	**(11.93)**	4.46
Dividend received	**-**	0.08
Interest received	**10.83**	8.32
Net cash flow from/ (used in) investing activities (B)	**(89.33)**	49.00
Cash flows from financing activities		
Proceeds from long-term borrowings	**96.91**	47.51
Repayment of long-term borrowings	**(58.56)**	-
Government subsidy received	**3.00**	
Increase/(decrease) of short-term borrowings, net	**62.73**	5.65
Lease liability	**25.66**	(16.12)
Interest paid	**(28.28)**	(16.86)
Dividends paid (including tax on dividend)	**(31.59)**	(18.10)
Net cash flow from/ (used in) in financing activities (C)	**69.87**	2.08
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**22.86**	(33.42)
Cash and cash equivalents at the beginning of the year	**6.90**	40.32
Cash and cash equivalents at the end of the year	**29.76**	6.90
The Company has followed indrect cashflow method		

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Company Secretary

Place: Bangalore
Date: May 26, 2021

Consolidated Statement of Changes in Equity for the Year Ended March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

a. Equity Share Capital

Particulars	Equity Share Capital
As at April 1, 2019	50.00
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2020	**50.00**
Increase in share capital on issue	50.00
Effect of share based payments	-
As at March 31, 2021	**100.00**

b. Other Equity

Particulars	Reserves & Surplus				Other Comprehesive Income		Sub Total	Non Controlling Interest	Total
	General Reserve	Security premium reserve	Capital Reserve	Retained earnings	Others	Foreign currency translation reserve			
As at April 1, 2019	110.00	33.00	0.33	373.72	1.45	(53.93)	464.57	8.91	**473.48**
Capital account including current account	-	-	-	-	-	-	-		-
Profit/(loss) for the year	-	-	-	12.43	-	-	12.43	(5.46)	**6.97**
Dividend declared during the year	-	-	-	(18.10)	-	-	(18.10)	-	**(18.10)**
Other Comprehensive income	-	-	-	-	(2.56)	-	(2.56)	-	**(2.56)**
Net changes during the year	-	-		-	-	(2.28)	(2.28)	-	**(2.28)**
As at March 31, 2020	**110.00**	**33.00**	**0.33**	**368.05**	**(1.11)**	**(56.21)**	**454.06**	**3.45**	**457.51**
Utilised during the year						**10.29**	10.29	-	**10.29**
Profit/(loss) for the year	-	-	-	85.07	(1.97)		83.10	0.88	**83.98**
Dividend declared during the year	(17.00)	(33.00)	-	(32.50)	-	-	(82.50)	-	**(82.50)**
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Net changes during the year	-	-	2.74	0.49	-	(0.53)	**2.70**	-	**2.70**
As at March 31, 2021	**93.00**	**-**	**3.07**	**421.11**	**(3.08)**	**(46.45)**	**467.65**	**4.33**	**471.98**

c. Nature and purpose of reserves:

i) General Reserve:

The general reserve is a free reserve which 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. An amount of Rs. 17 million has been utilised for issue of bonus shares during the year 2020-21.

ii) Security Premium:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013. The balance has been fully utilised for issue of bonus shares during the year 2020-21

iii) Capital Reserve:

Capital Reserve is created on forfieture of equity shares issued by the Company and government subsidy on depreciable asset.

iv) Retained Earnings:

It comprises of the accumulated profits/(loss) of the Company.

For and on behalf of Board of Directors
ASM Technologies Limited

In Accordance with our Report Attached
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Chief Financial Officer

Vanishree Kulkarni
Company Secretary

Place: Bangalore
Date: May 26, 2021

1 CORPORATE INFORMATION:

ASM Technologies Limited along with its wholly-owned and controlled subsidiaries Advanced Synergic Pte Ltd, Singapore and Pinancle Talent Inc, USA and ESR Association Inc, USA wholly-owned and controlled subsidiaries of Advanced Synergic Pte Ltd, Singapore (collectively referred to as "Group") is a pioneer in providing world class consulting services in areas of Engineering services and Product Engineering services with successful offshore development & support centres in India and overseas for its global clientele. The consolidated financial statements have been approved by the board of directors of the holding company on May 26, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The financial statements of the Company are prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Summary of significant accounting policies:

a) Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) 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 realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting 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 treated as 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

All other liabilities are classified as non-current.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

c) Property, Plant & Equipment:

Property, plant and equipment ("PPE") are stated at the cost of acquisition less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of PPE as per Ind AS 16 are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

d) Depreciation:

Depreciation is provided on straight-line method as per the rates specified in schedule II of the Companies Act, 2013 ("the Act"). Depreciation for the assets purchased/sold during the year is proportionately charged. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for revision, and adjusted prospectively.

e) Investment Properties:

Investment property represents properties held for rental yields and/or for capital appreciation or both rather than for:

(a) use in the production or supply of services or for administrative purposes; or

(b) sale in the ordinary course of business.

Investment property is stated at the cost of acquisition less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of Investment Property as per Ind AS 40 are charged to the statement of profit and loss for the period during which such expenses are incurred.

f) Intangible Assets:

Intangible assets acquired separately are measured on intial cost. Subsequently, carried at cost less accumulated amortization and accumulated impariment losses, if any.

Intangible assets comprising of computer software is amortised on a over a period of three years as estimated by the management.

Gains or losses arising from de-recognition of an intangible asset are measured as a difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when asset is derecognised.

g) Leases:

Where Company is a Lessee:

The Company's lease asset classes primarily consist of leases for buildings. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contact involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of lease

(iii) the Company has the right to direct the use of the asset.

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 includes 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.

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 these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The borrowing rate applied to lease liabilities for discouting is **10.2%**

(h) Employee benefits :

(i) Short term employee benefits :

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognised in the period in which the employee renders the related service.

(ii) Defined Benefit Plans :

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made

at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

i) Revenue Recognition:

The Company derives revenues primarily from IT related services. Effective April 01,2018, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Revenue is recognized upon transfer of control of promised services to customers in an amount that refelects the considereation we expect to receive in for those services.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company recognised incentive from government in respect of Service Exports from India Scheme based on claim lodged by the Company.

j) Taxation:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the assets will fructify.

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

k) Foreign Currency Transactions:

Functional Currency:

The functional currency of the Company is the Indian rupee.

Transactions and translations:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

l) Provisions, Contingent liabilities and Contingent assets:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is never recognised but only disclosed in the financial statements.

m) Segment reporting policies:

Identification of segments:

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments. Since CODM evaluates Company's performance at a geographic segment level, operating segment information is accordingly given at geographic level.

n) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and 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 measured on initial recognition of financial asset or financial liability.

i) *Cash & Cash equivalents:*

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) *Financial assets at amortized cost:*

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) *Financial assets at fair value through other comprehensive income:*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv) *Financial assets at fair value through profit or loss:*

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) *Financial liabilities:*

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. 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.

vi) *De-recognition of financial instruments:*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

viii) Investments in subsidiary:

Investments in subsidiary is carried at cost.

o) Impairment:

i) Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets:

Tangible and Intangible assets: PPE, intangible assets and investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

p) Cashflow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

2.3 Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(b) 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 financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans - Gratuity

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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

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 are based on expected future inflation rates and expected salary increase thereon.

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

3.1 PROPERTY, PLANT AND EQUIPMENT

	Land (freehold)	Building	Plant and Equipment	Electrical fittings	Furniture & fixtures	Office Equipment	Vehicles	Generator	Right of Use	Total
Cost										
As at April 1, 2019	20.51	11.76	35.26	2.85	8.51	4.47	6.48	0.56	-	**90.40**
Additions	-	4.64	25.73	-	2.67	2.62	0.58	-	31.63	**67.87**
Disposals	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-		-	-	-	-	-	-	-
At March 31, 2020	**20.51**	**16.40**	**60.99**	**2.85**	**11.18**	**7.09**	**7.06**	**0.56**	**31.63**	**158.27**
										-
Additions		0.58	13.48	0.75	0.16	1.49			33.75	**50.21**
Disposals						(0.09)				**(0.09)**
Other Adjustments			0.15	0.12		(0.72)				**(0.45)**
At March 31, 2021	**20.51**	**16.98**	**74.62**	**3.72**	**11.34**	**7.77**	**7.06**	**0.56**	**65.38**	**207.94**
Depreciation/Amortisation										
As at April 1, 2019	-	0.65	25.05	1.54	3.38	2.55	2.63	0.56	-	**36.36**
Charge for the year	-	0.72	5.94	0.35	1.50	1.51	0.94	-	15.98	**26.94**
Disposals										-
Other Adjustment										-
At March 31, 2020	**-**	**1.37**	**30.99**	**1.89**	**4.88**	**4.06**	**3.57**	**0.56**	**15.98**	**63.30**
Charge for the year		1.35	5.93	0.49	1.55	0.58	0.72	-	11.06	**21.68**
Disposals						(0.02)				**(0.02)**
Other Adjustment										-
At March 31, 2021	**-**	**2.72**	**36.92**	**2.38**	**6.43**	**4.62**	**4.29**	**0.56**	**27.04**	**84.96**
Net Block										
At March 31, 2020	**20.51**	**15.03**	**30.00**	**0.96**	**6.30**	**3.03**	**3.49**	**-**	**15.65**	**94.97**
At March 31, 2021	**20.51**	**14.26**	**37.70**	**1.34**	**4.91**	**3.15**	**2.77**	**-**	**38.34**	**122.98**

3.2 INTANGIBLES:

Particulars	Goodwill	Intellectual Property Rights	Software	Total
Cost				
As at April 1, 2019	34.09	25.07	-	59.16
Additions	-	-	-	-
Disposals				-
Other Adjustments	0.57	0.68		1.25
At March 31, 2020	**34.66**	**25.75**	**-**	**60.41**
Additions	-	-	1.15	1.15
Disposals	-	-	-	-
Other Adjustments	-	**(0.41)**	-	(0.41)
At March 31, 2021	**34.66**	**25.34**	**1.15**	**61.15**
Depreciation/Amortisation				
At April 1, 2019	**2.94**	**2.23**		5.17
Charge for the year	-	2.50		2.50
Disposals				-
At March 31, 2020	**2.94**	**4.73**	**-**	**7.67**
Charge for the year	**11.37**	2.49	0.15	14.01
Disposals	-	-		-
Other Adjustment				-
At March 31, 2021	**14.31**	**7.22**	**0.15**	**21.68**
Net Block				
At March 31, 2020	**31.72**	**21.02**	**-**	**52.74**
At March 31, 2021	**20.35**	**18.12**	**1.00**	**39.47**

4. NON CURRENT FINANCIAL ASSETS:

Details of Investments

Name of the Company	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Rs. In million	No of Shares	Rs. In million
(i) Non Current Investments:				
1) Investments In Equity Instruments				
A) **Investments in equity instruments:**				
- Unquoted carried at cost				
Baro Vehicles Limited, UK (GBP 0.0001) each	**13,376**	**3.47**	13,376	6.34
B) **Investments in fair value through profit & loss**				
Investments in compulsory convertible preference shares (Unquoted)				
Lavelle Networks Private Limited of Rs.10 each	**3,202**	**45.52**	3,202	30.53
Eclectic IQ Noth America INC (Poly Logyx LLC)		**12.65**	-	-
C) **Investments in fair value through Other Comprehensive Income**				
- In Venture Capital Fund				
i) Ideaspring Capital Future Now		**17.99**		14.81
		79.63		**51.68**
Additional Information:				
i) Aggregate amount of unquoted investments		**79.63**		51.68
ii) Categorywise Non current investment:				
Financial assets carried at amortised cost		**-**		-
Financial assets measured at fair value through Profit & Loss		**61.64**		30.53
Financial assets measured at fair value through Other Comprehensive Income		**17.99**		14.81
Total non current investment		**79.63**		**45.34**

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Loans (Unsecured and considered good) Security Deposits	**4.29**	1.15
Total	**4.29**	**1.15**

5. DEFERRED TAX

Particulars	As at March 31, 2021	As at March 31, 2020
i) Deferred tax liability:		
a) On account of depreciation on fixed assets	**7.21**	9.26
b) On account of timing differences in recognition of expenditure	**0.04**	0.12
c) On account of timing diffferences in recognition of value of investment	**3.87**	
Total	**7.25**	9.38
ii) Deferred tax asset:		
a) On account of depreciation on fixed assets	**1.18**	-
b) On account of timing differences in recognition of expenditure	**42.43**	33.59
b) On account of timing differences on Impact on Unabsorbed depreciation & brought forward losses	**9.49**	9.41
Total	**53.10**	43.00
Net Deferred tax (liability)/asset	**41.97**	**33.62**

6. OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Payment of tax (net of provision)	**49.22**	77.62
Export Incentive Receivable	**11.11**	11.11
Subsidy Receivable	**-**	0.65
Deferred Rent- Ind AS	**0.83**	36.85
	61.16	**126.23**

7. INVENTORIES:

Particulars	As at March 31, 2021	As at March 31, 2020
Work in progress	**59.59**	37.76
	-	-
	59.59	**37.76**

8. FINANCIAL ASSETS:

	As at March 31, 2021		As at March 31, 2020	
	No of Units	Rs. In million	No of Units	Rs. In million
i) Investment - fair value through statement of Profit & Loss				
Investments in Mutual Funds:				
i) SBI Short Term Debt Fund	**12,70,580**	**31.79**	8,62,690	20.12
ii) SBI Corporate Bond Fund	**17,31,321**	**59.30**	17,31,321	54.89
iii) ICICI Prudential Value Discovery Fund	**8,349**	**0.08**	7,695	0.08
Investments in Portfolio Management Services:				
i) ASK PMS		-		0.10
Total		**91.18**		**75.19**
Aggregate Carrying value of quoted Investments		**91.18**		**75.19**
Aggregate Market value of quoted Investments		**91.18**		**75.19**

Current Assets

8. FINANCIAL ASSETS

	Particulars	As at March 31, 2021	As at March 31, 2020
ii)	**Trade Receivables**		
	- Outstanding for more than 6 months	**22.30**	17.33
	- Others	**283.34**	197.95
		305.64	**215.28**
	Less: Allowance for bad & doubtful trade receivables	**4.36**	3.60
		301.28	211.68
	Additional Information:		
	Unsecured considered good	**301.28**	211.68
	Unsecured Considered Doubtful	**4.36**	3.60
		305.64	215.28
	Less:- Provision for doubtful debt (includes Provision for expected credit losses)	**4.36**	3.60
	Total	**301.28**	**211.68**
	The above amount includes:		
	- debts due by firms/private companies in which a director is a partner or a director or a member		-
iii)	**Cash and Bank Balance**		
	a) Cash and cash equivalents:-		
	i) Balance with Banks	**-**	-
	- On current accounts	**30.26**	6.81
	ii) Cash on hand	**0.03**	0.09
		30.29	**6.90**
	b) Other Bank Balance		
	- In Unpaid Dividends	**6.99**	6.09
	-in deposit whose maturity is more than 3 months	**64.70**	53.67
		71.69	**59.76**
	Total	**101.98**	**66.66**
	Bank balance includes:	**-**	
	Earmarked balances with banks for loan taken by the Company	**30.00**	30.00
iv)	**Loans (Unsecured, considered good)**		
	Security Deposit	**6.37**	6.17
	Total	**6.37**	**6.17**
v)	**Other Financial Assets**		
	Interest receivable on deposits	**6.15**	3.74
	Total	**6.15**	**3.74**

9. OTHER CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Advances other than capital advances		
(a) Security deposits	**0.12**	0.01
(b) Advance to supplier**	**5.27**	1.54
Less: Provision for doubtful advances	**(0.29)**	-
	5.10	**1.55**
- Advance to Employee	**3.81**	3.24
(ii) Others		
Advance Gratuity	**-**	1.41
Unbilled Revenue	**200.81**	48.26
Prepaid expenses	**18.18**	13.08
Total	**227.90**	**67.54**

10. EQUITY SHARE CAPITAL (REFER STATEMENT OF CHANGES IN EQUITY)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
1,50,00,000 (As at March 31, 2020 70,00,000) Equity shares of Rs 10 each	**150.00**	70.00
Issued, Subscribed & Paid up		
1,00,00,000 (As at March 31, 2020 50,00,000) equity shares of Rs 10 each**	**100.00**	50.00
Total issued, subscribed and fully paid-up share capital	**100.00**	**50.00**

**During the year, the Company had issued bonus shares in the ratio of 1:1 (5 million shares) thereby increasing it's paid up capital from Rs. 50 million to Rs. 100 million.

Particulars	As at March 31, 2021
No. of shares as at April 1, 2020	50
Add : Fully paid up ordinary bonus shares of Rs.10 each	50
No. of shares as at March 31, 2021	**100**

(a) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs.10 per share.Each holder of equity is entitled to one vote per share.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	As at March 31, 2021		As at March 31, 2020	
	Nos.	Rs. In million	Nos.	Rs. In million
At the beginning of the year	**50,00,000**	**50.00**	50,00,000	50.00
Add:-Issued during the year	**50,00,000**	**50.00**	-	-
Outstanding at the end of the year	**1,00,00,000**	**100.00**	**50,00,000**	**50.00**

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding in class	Nos.	% holding in class
R Rabindra	**42,07,354**	**42.07%**	21,03,677	42.07%
Kannan Sundar	**9,40,000**	**9.40%**	5,54,998	11.10%
R Preeti	**7,61,048**	**7.61%**	3,80,524	7.61%
IDS System Private limited	**6,77,004**	**6.77%**	3,38,502	6.77%
	65,85,406	**65.85%**	**33,77,701**	**67.55%**

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

11. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
i) Capital reserve		
Opening balance	**0.33**	0.3300
Add:- Addition during year	**2.74**	-
Less:- Utilized during year	**-**	-
	-	-
Closing at end of year	**3.07**	**0.3300**
ii) Security Premium reserve		
Opening Balance	**33.00**	33.0000
Add:-addition during year	**-**	-
Less:- Utilized during year	**(33.00)**	-
Closing at the end of the year	**-**	33.0000
iii) Genral Reserve		
Opening balance	**110.00**	110.0000
Add:- Addition during year	**-**	-
Less:- Utilized during year	**(17.00)**	-
Closing at end of year	**93.00**	110.0000
iv) Other Comprehensive Income		
a) Foreign currency translation reserve		
Opening balance	**(56.21)**	(53.9300)
Add:- Addition during year	**10.29**	(2.2800)
Closing at end of year	**(45.92)**	**(56.2100)**
b) Other Items		
Opening balance	**(1.11)**	1.4500
Add:- Addition during year	**(1.97)**	(2.5600)
Closing at end of year	**(3.08)**	(1.1100)
v) Retained Earning		
Opening balance	**368.54**	373.7200
Add:- Addition during year	**85.07**	12.4300
	453.61	**386.1500**
Less:- Appropriations		
Interim dividend on equity shares	**20.00**	-
Final dividend	**12.50**	15.0000
Tax on dividend	**-**	3.1000
	32.50	18.1000
Total	**421.11**	**368.0500**
Closing at end of year	**468.18**	**454.0600**

Non current liabilities and provisions:-

12. FINANCIAL LIABILITIES:-

Particulars	As at March 31, 2021	As at March 31, 2020
Bororrowings:-		
Secured		
From Banks	**96.91**	58.05
From others	**-**	0.51
Less: Current Maturities		
From Banks	**(18.98)**	(10.05)
From others	-	(0.51)
Total	**77.93**	**48.00**
Additional Information:- **1)Details Of Security for secured loan:-** **From others:-** Term Loan From others which was secured by hypothication charge on BMW Car ,which carried an interest rate of 8.99 % per annum and was repayable in 36 Equated Monthly Installment of Rs.0.11 million per month, has been squared off in Oct 2020 month.	**-**	**0.51**
From Bank:- Term Loan from HSBC Bank is secured against charge created on the Land and Building situated at No 80/2, Lusanne Court, Wellington street, Bangalore,560025 and the facility is guaranteed by Mr. Rabindra Srikantan (Managing Director) of the Company. (As at March 31, 2020 : Term Loan from HSBC bank was secured against charge created on the Land and Building situated at No 80/2, Lusanne Court, Wellington street, Bangalore,560025 and facility is guaranteed by Mr. Rabindra Srikantan (Managing Director) of the Company.) Term Loans carries interest rate of 3M T bill plus 420 bps which is presently 7.40% per annum (As at March 31, 2020: (I-MCLR-6M + 1.4%) which is 7.4% per annum at the time of Disbursal) and principal repayable in 60 & 66 equal installments of Rs. 0.98 million & Rs.0.602 million per month respectively (As at March 31, 2020: repayable in 72 equal installments of Rs. 0.8375 Million per month)	**96.91**	**58.05**

13. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	**4.14**	2.64
Provision Leave Encashment	**8.92**	-
Total	**13.06**	**2.64**

14. OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	**0.56**	0.67
Lease Liability	**32.69**	10.64
Total	**33.25**	**11.31**

Current liabilities and provisions:-

15. FINANCIAL LIABILITIES:-

Particulars	As at March 31, 2021	As at March 31, 2020
i) **Borrowings**		
Secured loans:		
Loans repayable on demand		
- from banks	**213.75**	151.02
Unsecured Loans:		
- from others	-	-
Total	**213.75**	**151.02**

a	**Details of security for secured loans from banks:**		
i)	Hypothication charge on Receivables and other current assets of the company , further lien on 17,31,321 units of SBI mutual Fund scheme "SBI Corporate bond fund -regular plan growth " and 12,70,580 units of SBI mutual fund scheme "SBI short term debt fund regular plan growth and secured by personal guarantee of Managing Director.	**213.75**	151.02
ii)	Lien on fixed deposits of the Company and charge on 17,31,321 units of SBI mutual Fund scheme "SBI Corporate bond fund -regular plan growth " and 12,70,580 units of SBI mutual fund scheme "SBI short term debt fund regular plan growth and secured by personal guarantee of Managing Director.		
b	Interest rate:-		
I	Secured loans from banks:		
i)	Cash credit facility from state Bank of India repayable on demand and carries an interest rate of MCLR + 2%		

ii) Trade Payables:-

Particulars	As at March 31, 2021	As at March 31, 2020
i) Due from Micro small and medium enterprise (Refer note 29)	-	-
ii) Others	**110.73**	36.01
Total	**110.73**	**36.01**

iii) Other Financial Liability

Particulars	As at March 31, 2021	As at March 31, 2020
i) Current maturity of long term debt	**18.98**	10.56
ii) Interest Accrued but not due	**0.04**	-
iii) unclaimed dividend	**6.99**	6.08
Total	**26.01**	**16.64**

16. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
i) Statutory dues	**39.53**	21.62
ii) Employee Benefit Expenses	**19.63**	4.14
iii) Accrued Expenses	**-**	-
iv) Advances from Customer	**0.87**	10.90
v) Other liabilities	**22.20**	16.07
vi) Lease liability	**9.90**	6.29
Total	**92.13**	**59.02**

17. PROVISION :

Particulars	As at March 31, 2021	As at March 31, 2020
i) Gratuity	**14.97**	-
ii) Tax	**2.56**	-
Total	**17.53**	**-**

18. REVENUE FROM OPERATIONS

Particulars	Current Year	Preivous Year
Sale of services	**1,283.13**	842.02
Sale of goods	**90.75**	78.11
Total	**1,373.88**	**920.13**

18.1. DISAGGREGATED REVENUE INFORMATION:

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of services:

Revenue from contracts with customers	Current Year	Previous Year
Geographical location		
- Sale of services		
- In India	**887.03**	778.52
- In Outside India	**395.68**	78.84
- Sale of goods		
- In India	**23.46**	15.34
- In Outside India	**67.71**	62.77
	91.17	**78.11**

18.2. CONTRACT BALANCES:

Contract assets:	Current Year	Previous Year
Trade Receivables	**301.28**	211.68
Unbilled Revenue	**200.81**	48.26
	502.09	**259.94**
Contract liabilities		
Advance from customers	**0.87**	10.90

Trade receivables are generally on credit terms as agreed with respective customers.
Unbilled revenue is recognised on completion of performance obligation pending generation of Invoice.

19. OTHER INCOME

Particulars	Current Year	Preivous Year
a) Interest on bank deposits	**13.24**	8.32
b) Dividend income	**0.01**	0.08
c) Gain or loss on mutual fund	**6.09**	13.97
d) Miscellenous income	**13.20**	2.16
e) Exchange fluctuation gain	**-**	16.77
Total	**32.54**	**41.30**

20. COST OF RAW MATERIALS, COMPONENTS AND STORES CONSUMED

DETAILS OF RAW MATERIALS, COMPONENTS AND STORES CONSUMED

Particulars	Current Year	Previous Year
Consumption of raw materials	**55.31**	41.75
Total	**55.31**	**41.75**

21. (INCREASE)/ DECREASE IN INVENTORIES OF STOCK OF FLATS, LAND STOCK AND WORK-IN-PROGRESS

Particulars	Current Year	Previous Year
Inventories at the end of the year		
Inventory of	**59.59**	37.76
Total	**59.59**	**37.76**
Inventories at the beginning of the year		-
Inventory of	**37.76**	24.85
Total	**37.76**	**24.85**
(Increase)/ Decrease	**(21.83)**	**(12.91)**

22. EMPLOYEE BENEFIT EXPENSES

Particulars	Current Year	Previous Year
a) Salaries and wages	**827.50**	594.40
b) Contribution to:		
-Provident fund	**40.17**	30.51
-ESI	**0.21**	0.39
c) Gratuity (refer note 26)	**9.89**	5.42
d) Leave Encashment	**5.28**	-
e) Staff welfare expenses	**11.66**	10.88
Total	**894.71**	**641.60**

23. FINANCE COST

Particulars	Current Year	Previous Year
a) Interest on bank borrowing	**1.34**	0.75
b) Other interest	**26.98**	16.10
Total	**28.32**	**16.85**

24. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Current Year	Previous Year
a) Depreciation on assets	**21.68**	26.95
b) Amortisation	**14.01**	2.50
Total	**35.69**	**29.45**

25. OTHER EXPENSES

Particulars	Current Year	Previous Year
a) Travelling and conveyance expenses	**15.54**	62.81
b) Services rendered by business associates and others	**42.05**	66.06
c) Software, hardware and material costs	**56.69**	12.45
d) Communication expenses	**9.60**	4.52
e) Payment to Auditor (refer note below)	**3.22**	2.23
f) Legal and Professional fees	**69.58**	2.81
g) Sitting fees paid to directors	**0.48**	0.38
h) Rent	**15.62**	6.03
i) Repair and Maintenance	**2.34**	4.86
j) Exchange fluctuation Gain/loss	**8.51**	-
k) Allowance for bad debt	**0.75**	0.45
l) Contract Labour Charges	**-**	7.69
m) Electricity Expenses	**4.41**	4.16
n) Advertisement and Business Promotions	**9.61**	22.99
o) Insurance charges	**6.19**	4.74
p) Membership & subscription	**7.47**	5.89
q) Office Maintenance	**11.90**	5.65
r) Printing & stationary	**0.92**	0.60
s) Rates & Taxes	**1.49**	1.01
t) CSR Expenses	**0.30**	2.50
u) Miscellenous Expenses	**6.05**	8.21
v) Diminution in value of investment	**3.65**	-
w) Allowance for doubtful advances	**0.29**	-
x) Loss on sale of investments		
y) Loss on sale of investments	**0.08**	-
Total	**276.74**	**226.04**
Payments to Auditor		
Audit fee	**2.82**	1.83
Tax audit fee	**0.40**	0.40
Reimbursement of expenses	**-**	-

26. EARNING PER SHARE

Particulars	Current Year	Previous Year
Profit/(Loss) for the year	**86.01**	6.97
Weighted average number of Equity shares	**1,00,00,000**	1,00,00,000
Earning per share basic and diluted (in INR)	**8.60**	**0.70**
Face value per equity share (in INR)	**10.00**	10.00

27. (I) GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity of 15 days salary (last drawn salary) for each completed year of service. The scheme is not funded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan:

Statement of Profit and Loss

Net employee benefit expenses recognised in the employee cost:

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	**8.58**	5.13
Past service cost	**-**	-
Interest cost	**3.20**	(0.41)
Net benefit expense	**11.78**	**4.72**

Changes in the fair value of defined benefit obligation are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	**46.08**	33.33
Current service cost	**8.58**	5.13
Past service cost	**-**	-
Interest cost	**2.34**	2.29
Liability transferred out/divestments	**-**	-
Benefits paid directly by employer	**(1.33)**	-
Benefits paid directly from fund	**(2.33)**	(6.54)
Remeasurements	**-**	-
Actuarial loss/(gain) from changes in demographic assumptions	**(1.06)**	-
Actuarial loss/(gain) from changes in financial assumptions	**0.77**	1.54
Actuarial loss/(gain) from experience over the past period	**0.82**	1.17
Closing defined benefit obligation	**53.86**	**36.92**

Changes in the fair value of assets are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value as at the beginning of the year	**35.65**	39.55
Interest Income	**1.99**	
Expected return on plan assets	**(1.26)**	-
Actuarial gains	**-**	0.02
Contributions	**0.69**	2.70
Benefits paid	**(2.33)**	(6.54)
Closing fair value of asset	**34.75**	**35.73**

The amounts recognized in the Balance Sheet are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of the obligation as at the end of the year	**53.86**	36.92
Fair value of plan assets as at the end of the year	**(34.75)**	**(35.73)**
Net liability/ (asset) recognized in the Balance Sheet	**19.11**	**1.19**

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	**5.45%**	7.18%
Employee turnover	**25.00%**	25.00%
Salary escalation rate	**8.50%**	8.50%
Salary escalation rate	Indian Assured Lives Mortality (2006-08)	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market is for the holding company.

Sensitivity Analysis of significant actuarial assumptions

Particulars		Change in DBO by	
		As at March 31, 2021	As at March 31, 2020
Discount rate	Increases 0.5%	**(1.46)**	(0.90)
	Decreases 0.5%	**1.60**	0.98
Employee turnover	Increases 0.5%	**0.04**	(0.17)
	Decreases 0.5%	**(0.01)**	0.18
Salary escalation rate	Increases 0.5%	**1.12**	0.92
	Decreases 0.5%	**(1.03)**	(0.86)

Description of funding arrangements and funding policy that affect future contributions

The plan is unfunded and the status is unlikely to change over the next few years.

Maturity profile

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2021	As at March 31, 2020
1st following year	**10.98**	8.19
2nd following year	**7.27**	4.76
3rd following year	**7.27**	4.59
4th following year	**6.88**	4.82
5th following year	**6.16**	4.30
Sum of years 6 to 10	**17.57**	12.31

Defined contribution plan

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs.40.17 million (Previous Year: Rs.30.51 million)

Other Information	**As at March 31, 2021**	**As at March 31, 2020**
Weighted average duration of the projected benefit obligation	**4.00**	4.00
Average expected future service	**3.00**	3.00

(ii) Leave encashment:-

An actuarial valuation of leave benefits is carried out by an independent actuary. Based on that, the Company is carrying a liability of Rs 8.92 millions.

The principal assumptions used in determining post-employment benefit obligations for the company's plans are shown below:

Particulars	**In the books of R V Forms & Gears LLP As at March 31, 2021**	**In the books of ASM Digital Engineering Pvt Ltd As at March 31, 2021**
Salary Escalation rate	7.00% p.a.	8.5% p.a.
Discount rate	6.80% p.a.	5.18% p.a.
Attrition rate	5.00% p.a.	25.00% p.a.

28. LEASES

(i) The following is the movement of lease liabilities during the year ended March 31, 2021

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year	**48.56**	
On account of implementation of Ind AS 116	**-**	31.63
Additional lease liability during the year	**5.58**	31.63
Finance cost accrued during the year	**4.55**	2.73
Payment of lease liabilities	**16.10**	17.43
Balance at the end of the year	**42.59**	**48.56**

The Company does not face a 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.

(ii) Details regarding the contractural maturities of lease liabilities as at March 31, 2021 on undiscounted basis:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Less than one year	9.90	6.29
One to five years	30.77	10.64
More than five years	1.28	-
Total	**41.95**	**16.93**

29. CORPORATE SOCIAL RESPONSIBILITY:

As per Section 135 of the Act, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, promote rural and nationally recognised sports, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Act.

	Current Year	**Previous Year**
(a) Gross amount required to be spent by the Company during the year	**1.22**	1.76
(b) Amount spent during the year	**0.30**	2.50
(c) (Excess)/lower amount spent (a) - (b)	**0.92**	**(0.74)**

30. RELATED PARTY DISCLOSURES

i) Names of related parties and related party relationship

Name of entity	Relationship
IDS Systems LLP	Associate Company
Rabindra Srikantan M R Vikram Ramesh Radhakrishnan Shekar Viswanathan Preeti Rabindra M Lakshminarayan	Directors
N Krishnan Narsingh Rathod Pramod G Rao Vanishree Kulkarni Srinivasa Murthy Seshadri	Key Managerial Personnel ("KMP")
Akhil Rabindra Nikhil Rabindra	Relatives of Director

ii) Related party transactions

The following table provides the closing balances of related parties as at the relevant financial year-end:

Particulars	As at March 31, 2021	As at March 31, 2020
Amount due to Company		
IDS Systems LLP	**11.35**	11.85

iii)	Key Managerial Personnel	Relationship	Nature of transaction	Current Year	Previous Year
	M R Vikram	Chairman	Sitting fees & reimbursement of expenses	**1.32**	1.31
	Rabindra Srikantan	Managing Director	Remuneration	**21.18**	12.33
	Ramesh Radhakrishnan	Director	Sitting fees & Comission	**0.07**	-
	Prof. B S Sonde	Director	Sitting fees & Comission	**-**	0.05
	Shekar Viswanathan	Director	Sitting fees & Comission	**0.10**	0.08
	M Lakshminarayan	Director	Sitting fees & Comission	**0.11**	0.07
	Preeti R	Director	Sitting fees & Comission	**0.09**	0.08
	Nikhil Rabindra	Relative of Director	Consultation fees	**1.39**	-
	Akhil Rabindra	Relative of Director	Remuneration	**2.23**	1.09
	Narsingh Rathod	Chief Financial Officer	Remuneration	**0.28**	0.25
	P N Lakshmi (up to Aug-19)	Company Secretary	Remuneration	**-**	0.48
	Vanishree Kulkarni (From Sep-19)	Company Secretary	Remuneration	**1.05**	0.75
	N Krishnan	KMP	Remuneration	**11.22**	7.79
	Srinivasa Murthy Seshadri	KMP	Remuneration	**4.95**	4.53
	Pramod G Rao	KMP	Remuneration	**10.06**	1.66
	Amount due to Company:				
	Rabindra Srikantan	Managing Director		**0.54**	0.04

Compensation of key managerial personnel

Particulars	Current Year	Previous Year
Short-term employee benefits	21.46	12.63
Post employment benefit*	-	0.43

*The remuneration to the key managerial personnel does not include the provisions made the gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

The sales of services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

31. CAPITAL AND OTHER COMMITMENTS

Company has committed to contribute Rs.30 million to a venture capital fund out of which Rs.24 has been paid so far. Amount of such capital committment outstanding as at March 31, 2021 is Rs.6 millon (As at March 31, 2020: Rs. 12 million)

32. CONTINGENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Service tax claim(company filed appeal against the order)	**41.85**	**41.85**
Showcause notice received from service tax authorities	**182.28**	**182.28**
Income tax under appeal of which the Company has paid an amount of Rs.22.73 million under protest	**58.44**	**58.44**
Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	**5.21**	**1.94**

33 Based on the information available with the Company, there are no vendors who are registered as Micro and Small Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2021 which has been relied by the auditors.

34 SEGMENT REPORTING

The Company belives that assets and liabilities used in the business are not identified to any of the reportable segments, as these are used interchangeably between segments. Accordingly the same has not been provided

Particulars	Current Year			Previous Year		
	Exports	Domestic	Manufacturing	Exports	Domestic	Manufacturing
Segment Revenue	**910.49**	**395.68**	**67.71**	745.29	112.07	62.77
Segment Expenses	**591.80**	**287.24**	**54.76**	539.36	86.59	50.05
Segment Results	**318.69**	**108.44**	**12.95**	205.93	25.48	12.72

Significant Clients

The Company's 82% of revenue is derived from nine customers (Previous year: 90% of revenue from three customers).

Product-wise Information

Company provides single service and hence no product-wise information is necessary to be given.

35. INCOME TAXES

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Statement of profit and loss:		
Profit or loss section	**Current Year**	**Previous Year**
Current income tax:		
Income tax	**54.42**	5.83
Deferred tax:		
Relating to origination and reversal of temporary differences	**(2.95)**	5.85
Income tax expense reported in the statement of profit or loss	**51.47**	**11.68**
OCI section		
Deferred tax related to items recognised in OCI during the year:	**0.30**	0.34
Income tax charged to OCI		
	0.30	**0.34**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Particulars	Current Year	Previous Year
Accounting profit before income tax	**137.48**	18.65
Less: Profit/(Loss) from foreign subsidiaries	**(21.73)**	-
Accounting profit before income tax of holding company and indian subsidiaries	**115.75**	18.65
Enacted income tax rate in India	**25.17%**	25.17%
Tax at the applicable tax rate of 25.17 % (March 31, 2020: 25.17%)	**29.13**	4.69
Non-deductible expenses for tax purposes:		
Inadmissable expenses	**13.72**	4.73
Temporary differences not considered for current tax calculation (net of amounts recognised in other comprehensive income)	**2.98**	(8.33)
Provision for tax relating to prior years	**7.64**	-
Others		-
Provision for tax of foreign entities	**0.95**	-
At the effective income tax rate of 25.168% (March 31, 2020: 25.168%) - Income tax expense recorded in the books	**54.42**	**1.09**

Reconciliation of deferred tax expense(income) recognised in Statement of profit and loss and Other comprehensive income:

Particulars	Current Year	Previous Year
Property, Plant and Equipment and Intangible assets	**0.48**	(4.28)
Fair valuation adjustments of financial instruments	-	0.02
Provision for impariment of financial assets	-	0.78
Provision for employee benefits allowable under Income Tax on payment basis	-	7.54
Ind AS adjustment for borrowing cost	**(0.08)**	(0.11)
Ind AS adjustment on Mark to Market of Investment	**1.88**	(0.28)
Total	**2.28**	**3.67**

The tax rates under Indian Income Tax Act, for the year ended March 31, 2021 and March 31, 2020 is 25.168% and 25.168% respectively

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents, that derive directly from its operations.

The Company is exposed to credit and liquidity risk. The Company's senior management oversees the management of these risks and the Board of Director's reviews these activities.

i. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument would fluctuate due to changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables. The Company is not exposed to price risk on the financial date.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2021 and March 31, 2020.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The operations of the Company are both in India and overseas. Company has been providing services to overseas customers. Hence, the Company is currently exposed to the currency risk arising from fluctuation of these foreign currencies and Indian rupee exchange rates.

The following table presents foreign currency risk for the below financial liabilities:

As at March 31, 2021	**Transaction currency**	
Particulars	**USD ($)**	**Total**
Assets:		
Trade receivables	**60.09**	**60.09**
Total	**60.09**	**60.09**

As at March 31, 2020	**Transaction currency**	
Particulars	**USD ($)**	**Total**
Assets:		
Trade receivables	177.62	177.62
Total	**177.62**	**177.62**

Foreign currency sensitivity

Particulars	Change in USD rates	Effect on profit before tax (Decrease)/Increase	Effect on pre-tax equity (Decrease)/Increase
March 31, 2021	**1%**	**0.60**	**0.60**
	-1%	**(0.60)**	**(0.60)**
March 31, 2020	1%	1.78	1.78
	-1%	(1.78)	(1.78)

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). At the end of every financial year, the Company makes an assessment whether any loss allowance has to be provided for using the lifetime Expected Credit Loss (ECL) method.

iii. 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.

The Company's board of directors are responsible for liquidity, funding as well as settlement management.

The table below provides details regarding the contractual maturities of significant financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
	Less than 1 year	**Less than 1 year**
Borrowings	**213.75**	151.02
Trade payables	**110.75**	36.01
Other financial liabilities	**26.01**	16.65
Total	**350.50**	**203.67**

37 FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Financial Assets

Particulars	Carrying value as at		Fair value as at	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Cost				
Investments in subsidiaries		-		-
Amortised Cost				
Loans	**10.66**	7.32	**10.66**	7.32
Trade receivables	**301.28**	211.68	**301.28**	211.68
Cash and cash equivalents	**101.98**	66.66	**101.98**	66.66
Other assets	**6.15**	3.74	**6.15**	3.74
Fair value through Profit and Loss				
Investments	**91.18**	75.19	**91.18**	75.19
Fair value through Other Comprehensive Income				
Investments	**79.63**	51.68	**79.63**	51.68
Total Assets	**590.88**	**416.27**	**590.88**	**416.27**

Financial Liabilities

Particulars	Carrying value as at		Fair value as at	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Amortised Cost				
Loans and borrowings	**291.68**	199.02	**291.68**	199.02
Trade payables	**110.73**	36.01	**110.73**	36.01
Other liabilities	**26.01**	16.64	**26.01**	16.64
Fair value through Profit and Loss				
Total Liabilities	**428.42**	**251.66**	**428.42**	**251.66**

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in 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).

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2021:

Particulars	As at March 31, 2021	Fair value measurement at end of reporting year		
		Level 1	Level 2	Level 3
Loans: Security deposits (at amortised cost)	**10.66**	-	-	**10.66**
Investments (at fair value)	**170.81**	**91.18**	**79.63**	-

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2020:

Particulars	As at March 31, 2020	Fair value measurement at end of reporting year		
		Level 1	Level 2	Level 3
Loans: Security deposits (at amortised cost)	7.32	-	-	7.32
Investments (at fair value)	126.87	75.19	51.68	-

38 CAPITAL MANAGAMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders and long-term and short-term borrowings. The primary objective of the Company's capital management is to maximise the shareholder's value.

The capital structure is as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	Percentage of total capital	Amount	Percentage of total capital
Total equity attributable to the equity share holders of the Company	**467.65**	**61.59%**	454.06	69.53%
Non-current Borrowings	**77.93**	**10.26%**	**48.00**	7.35%
Short-term borrowings	**213.75**	**28.15%**	**151.02**	23.12%
Total	**759.33**		**653.08**	

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with current financial assets which is predominantly receivables.

39 EVENTS OCCURING AFTER BALANCE SHEET DATE:

The Board of directors of the Company have proposed final dividend of Rs. 3 per equity share of Rs.10/- fully paid up for the year ended March 31, 2021.

40 The Company is in the process of making up to date documentation in pursuance of the Transfer Pricing study relating to international transaction with Associated Enterprises for the year as required under the Income-tax Act, 1961. According to the Company and based on the advice of its counsel the Company believes that the profit margins are comparable to available market data and consequently no adjustments are required to these financial statements in respect of the same notwithstanding the draft assessment order referred above.

41 IMPACT OF COVID 19:-

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2021, are fully recoverable. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial statements.

42 Previous year figures have been regrouped/ recasted wherever necessary to confrom with current year figures.

For and on behalf of Board of Directors
ASM Technologies Limited

In Accordance with our Report Attached
for **BK Ramadhyani & Co. LLP**
Chartered Accountants
Firm Registration No.: 0028785/ S200021

M R Vikram Chairman	**Rabindra Srikantan** Managing Director	**M Lakshminarayan** Director	**Shekar Viswanathan** Director	**CA. C R Deepak** Partner Membership No.: 215398
Ramesh Radhakrishnan Director	**Preeti Rabindra** Director	**Narsingh Rathod** Chief Financial Officer	**Vanishree Kulkarni** Company Secretary	

Place: Bangalore
Date: May 26, 2021

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees millions, except as otherwise stated)

43. Statutory Group Information

	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs. In million	As % of consolidated Profit & Loss	Rs. In million	As % of consolidated OCI	Rs. In million	As % of consolidated Total Comprehensive Income	Rs. In million
	Parent								
	ASM Technologies Limited								
	Balance as at 31 March, 2021	**119.38%**	**683.47**	**117.78%**	**01.30**	**100.00%**	**8.32**	**116.21%**	**109.62**
	Balance as at 31 March, 2020	133.44%	677.23	221.95%	15.47	100.00%	(4.84)	499.06%	10.63
	Subsidiaries								
1	Pinnacle Talent Inc								
	Balance as at 31 March, 2021	**-11.62%**	**(66.51)**	**-1.79%**	**(1.54)**	**0.00%**	**0.00**	**-1.63%**	**(1.54)**
	Balance as at 31 March, 2020	-13.13%	(66.62)	-45.19%	(3.15)	0.00%	0.00	-147.89%	(3.15)
2	Advanced Synergic Pte Ltd, Singapore								
	Balance as at 31 March, 2021	**-22.45%**	**(128.54)**	**-5.12%**	**(4.40)**	**0.00%**		**-4.66%**	**(4.40)**
	Balance as at 31 March, 2020	-24.49%	(124.28)	48.92%	3.41	0.00%	0.00	160.09%	3.41
3	R V Forms & Gears LLP								
	Balance as at 31 March, 2021	**3.34%**	**19.14**	**4.09%**	**3.52**	**-7.09%**	**(0.59)**	**3.11%**	**2.93**
	Balance as at 31 March, 2020	1.97%	10.00	24.82%	1.73	0.00%	0.00	81.22%	1.73
4	ESR Associates Inc , USA								
	Balance as at 31 March, 2021	**-0.71%**	**(4.08)**	**-13.25%**	**(11.40)**	**0.00%**		**-12.09%**	**(11.40)**
	Balance as at 31 March, 2020	1.27%	6.47	-6.89%	(0.48)	0.00%	0.00	-22.54%	(0.48)
5	ASM Technologies KK, Japan								
	Balance as at 31 March, 2021	**-1.88%**	**(10.77)**	**5.52%**	**4.75**	**0.00%**		**5.04%**	**4.75**
	Balance as at 31 March, 2020	0.26%	1.26	-65.28%	(4.55)	0.00%	0.00	-213.62%	(4.55)
6	ASM Digital Engineering Pvt. Ltd								
	Balance as at 31 March, 2021	**13.18%**	**75.47**	**-8.25%**	**(7.10)**	**9.25%**	0.77	**-6.71%**	**(6.33)**
	Balance as at 31 March, 2020	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
	Non-controlling interests in all subsidiaries								
	Balance as at 31 March, 2021	**0.76%**	**4.33**	**1.02%**	**0.88**	**-2.16%**	**(0.18)**	**0.74%**	**0.70**
	Balance as at 31 March, 2020	0.68%	3.45	-78.34%	(5.46)	0.00%		-256.34%	(5.46)
	Total								
	Balance as at 31 March, 2021	**100.00%**	**572.51**	**100.00%**	**86.01**	**100.00%**	**8.32**	**100.00%**	**94.33**
	Balance as at 31 March, 2020	100.00%	507.51	100.00%	6.97	100.00%	(4.84)	100.00%	2.13

Independent Auditor's Review Report on Review of Consolidated Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ASM Technologies Limited
Bengaluru

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of **ASM Technologies Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and half year ended September 30, 2021 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of Securities Exchange Board of India ("SEB") (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of Companies Act, 2013 ("the Act") as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance With Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit and accordingly, we do not express audit opinion.

B.K. RAMADHYANI & CO. LLP BANGALORE-55 Chartered Accountants

4. The Statement includes the results of the following entities:
    a. ASM Digital Technologies Inc (formerly known as Pinnacle Talent Inc), USA - Subsidiary
    b. ASM Technologies Pte Limited (formerly known as Advanced Synergic Pte Ltd), Singapore – Subsidiary
    c. R V Forms & Gears LLP - Subsidiary
    d. ESR Associates Inc, USA – Fellow Subsidiary
    e. ASM Technologies KK, Japan – Subsidiary
    f. ASM Digital Engineering Private Limited - Subsidiary

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. A copy of the unaudited quarterly financial results of the Company for the period under review, which formed the basis of our limited review, duly initiated by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co., LLP
Chartered Accountants
FRN: 002878S/ S200021

C. R. Deepak

C R Deepak
Partner
Membership No: 215398
UDIN:21215398AAAAET4394

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
Reg. No. 002878S / S200021
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

Place: Bengaluru
Date: October 30, 2021

ASM Technologies Limited

80/2, Lusanne Court, Richmond Road, Bangalore - 560 025

Statement of Unaudited Financial Results for the half year ended September 30, 2021

(Rs. in Million)

Sl. No.	Particulars	Standalone						Consolidated					
		Quarter Ended			Half year Ended		Year Ended	Quarter Ended			Half year Ended		Year Ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	**Income**												
	Revenue from operations	350.53	337.71	284.59	688.24	547.22	1,132.17	477.04	416.40	314.21	893.44	587.77	1,373.88
	Other income	6.00	4.28	1.80	10.28	13.65	34.56	3.49	5.02	1.85	8.51	15.32	32.54
	Total Income	356.53	341.99	286.39	698.52	560.87	1,166.73	480.53	421.42	316.06	901.95	603.09	1,406.42
2	**Expenses**												
	Cost of goods sold			-	-	-	-	26.86	21.32	16.15	48.18	25.20	55.31
	Changes in inventories			-	-	-	-	(8.63)	(10.48)	(7.46)	(19.11)	(17.41)	(21.83)
	Employee benefits expense	229.81	212.79	178.82	442.60	345.32	730.27	304.33	282.22	201.28	586.55	381.48	894.71
	Finance costs	8.10	6.45	3.71	14.55	7.88	18.93	10.56	9.09	7.10	19.65	12.29	28.32
	Depreciation and amortisation expense	5.85	1.83	2.43	7.68	7.09	10.07	10.91	8.32	7.36	19.23	17.04	35.69
	Other expenses	68.14	76.07	55.42	144.21	98.46	227.86	77.32	73.93	57.25	151.25	98.18	276.74
	Total Expenses	311.90	297.14	240.38	609.04	458.75	987.13	421.35	384.40	281.68	805.75	516.78	1,268.94
3	**Profit / (Loss) before exceptional items and tax (1 - 2)**	44.63	44.85	46.01	89.48	102.12	179.60	59.18	37.02	34.38	96.20	86.31	137.48
4	Exceptional items	-	-	-				-	-	-			
5	**Profit / (Loss) before tax (3 - 4)**	44.63	44.85	46.01	89.48	102.12	179.60	59.18	37.02	34.38	96.20	86.31	137.48
6	**Tax expense**												
	Current tax	12.26	14.50	11.94	26.76	26.34	52.09	26.87	16.75	11.73	26.87	26.13	54.42
	Deferred tax	(1.76)	(5.81)	(0.06)	(7.57)	0.39	0.98	(8.37)	(9.26)	0.20	(8.37)	0.66	(2.95)
	Total	10.50	8.69	11.88	19.19	26.73	53.07	18.50	7.49	11.93	18.50	26.79	51.47
7	**Profit / (Loss) for the period (5 - 6)**	34.13	36.16	34.13	70.29	75.39	126.53	40.68	29.53	22.45	77.70	59.52	86.01
8	**Other Comprehensive Income (OCI)**												
	(A) i. items that will not be reclassified to Profit or Loss												
	Remeasurement of defined benefit plans	(0.37)	(0.36)	(0.52)	(0.73)	(1.04)	(1.45)	(0.37)	(0.36)	(0.52)	(0.73)	(1.04)	(1.45)
	ii. Income tax relating to items that will not be reclassified to Profit or Loss	0.09	0.09	0.13	0.18	0.26	0.37	0.09	0.09	0.13	0.18	0.26	0.37
			-							-			
	(B) i. items that will be reclassified to Profit or Loss		-						-				
	Changes in fair value of investments in equity instruments and FCTR	1.39	21.49	(0.28)	22.88	(0.04)	(1.19)	34.84	49.14	(8.11)	34.84	(0.04)	9.63
	ii. Income tax relating to items that will be reclassified to Profit or Loss	-	(9.41)	0.07	(9.41)	0.01	0.30	(9.41)	(9.41)	0.07	(9.41)	0.01	0.30
			-										
9	**Total Comprehensive Income for the period (7 + 8)**	35.24	47.97	33.53	83.21	74.58	124.56	65.83	68.99	14.02	102.58	58.71	94.86
	Profit for the period attributable to												
	- Owners of the Company							81.89	32.87	22.39	81.89	60.41	85.13
	- Non controlling Interest							(4.19)	(3.34)	0.06	(4.19)	(0.89)	0.88
	Other Comprehensive Income for the period attributable to :												
	- Owners of the Company							25.15	39.46	(8.42)	24.88	(0.81)	8.85
	- Non controlling Interest							-	-	-		-	-
	Total Comprehensive Income for the period attributable to :												
	- Owners of the Company							107.04	72.33	13.97	106.77	59.60	93.98
	- Non controlling Interest							(4.19)	(3.34)	0.06	(4.19)	(0.89)	0.88
10	Paid-up equity share capital (face value of Rs. 10/- each)	100.00	100.00	50.00	100.00	50.00	100.00	100.00	100.00	50.00	100.00	50.00	100.00
11	**Earnings per equity share (of Rs. 10/- each) (not annualised) ***												
	(a) Basic	3.41	3.62	3.41	7.03	7.54	12.65	4.07	2.95	2.25	7.77	5.95	8.60
	(b) Diluted	3.41	3.62	3.41	7.03	7.54	12.65	4.07	2.95	2.25	7.77	5.95	8.60

* revised based on issue of bonus shares

B K RAMADHYA & CO. LLP BANGALORE-55 Chartered Accountants

ASM TECHNOLOGIES LIMITED Bangalore

Segment wise Revenue, Results, Assets and Liabilities

	Financial Results	Standalone						Consolidated					
	For the half year ended September 30, 2021	Quarter Ended			Half year Ended		Year Ended	Quarter Ended			Half year Ended		Year Ended
Sl. No.	Particulars	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	**Segment Revenue**												
	Services:												
	Export	185.45	177.35	265.98	362.80	512.80	850.89	209.62	186.50	262.50	396.12	511.89	887.03
	Domestic	165.08	160.36	18.60	325.44	34.43	281.28	228.42	211.74	18.61	440.16	34.43	395.68
	Manufacturing:												
	Export	-	-					-	-				23.46
	Domestic	-	-	-			-	39.00	18.16	33.11	57.16	41.46	67.71
	Revenue from Operations	350.53	337.71	284.58	688.24	547.23	1,132.17	477.04	416.40	314.22	893.44	587.78	1,373.88
2	**Segment Results [Profit/(loss) before interest and tax]**												
	Services:												
	Export	95.19	63.85	109.83	159.04	182.74	303.55	99.78	66.59	109.84	166.37	182.94	310.68
	Domestic	34.65	56.13	1.47	90.78	5.50	81.93	57.81	56.63	1.47	114.44	5.50	108.44
	Manufacturing:												
	Export	-	-					-	-		-		8.01
	Domestic			-			-	23.20	(14.63)	13.65	8.57	16.21	12.95
	Segment Profit/(loss) before interest and tax	129.84	119.98	111.30	249.82	188.24	385.48	180.80	108.59	124.96	289.39	204.65	440.08
	Un-allocable expenditure	83.11	72.96	63.38	156.07	91.89	221.51	114.55	67.50	85.33	182.05	121.37	306.82
	Total Profit/(loss) before interest and tax	46.73	47.02	47.92	93.75	96.35	163.97	66.25	41.09	39.63	107.34	83.28	133.26
	Less : Finance costs	8.10	6.45	3.71	14.55	7.88	18.93	10.56	9.09	7.10	19.65	12.29	28.32
	Add : Other Income	6.00	4.28	1.80	10.28	13.65	34.56	3.49	5.02	1.85	8.51	15.32	32.54
	Total Profit/(loss) before tax	44.63	44.85	46.01	89.48	102.12	179.60	59.18	37.02	34.38	96.20	86.31	137.48
		-	-	-	-	-	-		-	-			-

B.K. RAMADHYANI & CO. LLP BANGALORE-55 Chartered Accountants

ASM TECHNOLOGIES LIMITED Bangalore

Notes on Segment Information :

1. The Company is in the business of Engineering and Product R&D services. The Company's primary reporting segment is geographical as the revenue in non software related areas are not more than 10% of the total revenue.

2. Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

3. The group has identified Engineering Services and manufacturing as a secondary segment

Notes :

1.The above financial results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These results have been reviewed by the audit committee and were taken on record by the Board of Directors at their meeting held on October 30, 2021. The review of the financial results for the quarter ended September 30, 2021 has been carried out by the statutory auditors of the Company and have expressed an unmodified audit opinion on these unaudited financial results.

2. During the previous year the Company had invested in the new entity "ASM Digital Engineering Private Limited" (Formerly known as "Semcon India Private Limited") and purchased at its net asset value as on October 31, 2020. Since the said company has been acquired during the mid of the previous year certain figures of the consolidated financial information is not comparable.

3.The consolidated financial results relate to ASM Group. The Group consists of ASM Technologies Ltd and its wholly owned overseas subsidiaries and 70% share of partnership in RV Forms and Gears as follows

1- ASM Digital Technologies Inc (formerly known asPINNACLE TALENT INC), USA
2- ASM Digital Technologies Pte Limited (formerly known as ADVANCED SYNERGIC PTE LTD), SINGAPORE
3- ESR ASSOCIATES INC, USA
4- R V FORMS & GEARS LLP
5- ASM TECHNOLOGIES LTD – JAPAN
6 - ASM Digital Engineering Private Limited (Formerly known as "Semcon India Private Limited")

4.The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of incomes, expenses and capital employed. Any further adjustments that may be necessary due to fresh evidence/facts and interpretations of MCA/ICAI that may be observed/received at the time of finalization of annual financial statements for the quarter ended September 30, 2021.

5. Impact of COVID-19 on Business:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at September 30, 2021, are fully recoverable as on reporting date. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial results.

6. The overseas subsidiaries "Pinnacle Talent Inc, USA, Advanced Synergic Pte Ltd, Singapore and ASM – Japan" has accumulated losses which has exceeded its share capital and has eroded its net worth as at the end of the reporting period. The subsidiary's current liabilities exceeds at total assets by USD 935,429/-, SGD 517,826/- and JPY 21,192,715/- . However, the holding company is authorised by its Board to infuse further funds as and when required and the management has drawn up action plan which would reduce the company's operating costs in the coming years. Based on this, the management is of the opinion that the going concern assumption in preparation of the financial statements is appropriate.

7. The Board of directors have recommended an interim dividend of Rs.2.50 per share.
8. Corresponding figures of the previous period/year have been regrouped wherever necessary to correspond to current period/ year classification.

Place : Bangalore
Date : October 30, 2021

B.K. RAMADHYANI & CO. LLP
BANGALORE-55
Chartered Accountants

Rabindra Srikantan
Managing Director

ASM TECHNOLOGIES LIMITED
Bangalore

ASM Technologies Limited

Balance Sheet as at September 30, 2021

(Rs. in million)

Particulars	Standalone		Consolidated	
	30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
	Unaudited	Audited	Unaudited	Audited
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	71.26	45.97	75.64	84.63
(b) Intangible Assets	-	-	122.60	77.82
(c) Capital work-in-progress	-	-	29.75	12.22
(d) Goodwill on consolidation	-	-	0.73	0.73
(f) Financial Assets			-	-
(i) Investments	267.31	254.61	95.56	79.63
(ii) Loans	1.16	1.11	4.45	4.29
(g) Deferred tax assets (net)	30.60	32.25	41.11	41.97
(h) Other non-current assets	47.54	47.96	60.64	61.16
Total Non-current assets	417.87	381.90	430.48	362.45
(2) Current assets				
(a) Inventories	-	-	78.70	59.59
(a) Financial Assets	-	-		
(i) Investments	94.15	91.18	94.15	91.18
(ii) Trade receivables	236.50	197.79	388.66	301.28
(iii) Cash and cash equivalents	3.04	5.77	10.89	30.29
(iv) Bank balances other than (iii) above	72.36	71.67	72.38	71.69
(v) Loans	5.11	6.24	6.03	6.37
(vi) Others	15.35	10.28	15.56	6.15
(c) Current tax assets (Net)	-	-	-	-
(b) Other current assets	263.70	266.77	205.27	227.90
Total Current Assets	690.21	649.70	871.64	794.45
Total Assets	1,108.08	1,031.60	1,302.12	1,156.90
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	100.00	100.00	100.00	100.00
(b) Other Equity	593.96	550.75	534.93	468.18
Total Equity	693.96	650.75	634.93	568.18
NON CONTROLLING INTEREST			0.25	4.33
Total	693.96	650.75	635.18	572.51
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	68.44	77.93	68.45	77.93
(b) Provisions	-	0.00	15.72	13.07
(c) Other non current liabilities	-	-	64.66	33.24
Total Non-current liabilities	68.44	77.93	148.83	124.24
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	179.28	148.21	251.64	213.75
(ii) Trade payables				
(A) total outstanding dues of micro and small enterprises	-	-		
(B) total outstanding dues of creditors other than micro and small enterprises	5.69	11.27	148.48	110.75
(iii) Other financial liabilities	26.09	26.21	33.48	26.00
(b) Other current liabilities	112.08	99.06	77.05	92.12
(c) Provisions	22.54	18.17	7.46	17.53
Total Current liabilities	345.68	302.92	518.11	460.15
TOTAL EQUITY AND LIABILITIES	1,108.08	1,031.60	1,302.12	1,156.90

K RAMADHYANI & CO. LLP BANGALORE-55

ASM TECHNOLOGIES LIMITED Bangalore

ASM TECHNOLOGIES LIMITED

Cash Flow Statement for the half year ended September 30, 2021

(Rs. In million)

Particulars	Standalone (Unaudited)		Consolidated (Unaudited)	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
(A) **Cash flows from operating activities**				
Profit / (loss) before tax	89.48	102.12	96.20	86.31
Adjustment to reconcile profit before tax to net cash flows:				
Depreciation and amortization expense	7.68	7.09	19.23	17.04
Finance costs	14.55	7.88	19.65	12.29
Interest income	(7.30)	(5.69)	(3.94)	(5.66)
Fair valuation of mutual fund	(2.97)	(3.36)	(2.97)	(3.36)
Share of profit in LLP	9.78	2.06		
Provision for dimunition in value of investments	2.63	-	-	-
Operating profit before working capital changes	113.85	110.10	128.17	106.62
Movements in working capital :				
Increase/ (decrease) in trade payables	(5.58)	2.65	37.73	85.20
Increase/ (decrease) in other liabilities	(12.05)	(33.43)	(5.29)	(6.75)
Decrease / (increase) in Inventories		-	(19.11)	(17.41)
Decrease / (increase) in trade receivables	(38.71)	74.33	(87.38)	(42.32)
Decrease / (increase) in other non current assets	3.09	-	0.51	(9.11)
Decrease / (increase) in other current assets	1.12	(11.27)	22.63	(0.47)
Decrease / (increase) in other financial assets	(0.04)	(97.25)		(95.28)
Decrease / (increase) in loans and advances	(13.02)	(0.24)	0.18	(0.20)
Increase / (decrease) in provisions	16.90	-	2.77	1.00
Cash generated from /(used in) operations	65.56	44.89	80.21	21.28
Direct taxes paid, net	23.91	(3.54)	20.95	(3.79)
Net cash flow from/ (used in) operating activities (A)	41.65	48.43	59.26	25.07
(B) **Cash flows from investing activities**				
Purchase of Property, plant & equipment (including capital work in progress and capital advances)	(3.93)	(0.68)	(72.55)	(1.17)
Proceeds from sale of Property Plant & equipment	-	0.06	-	3.06
Increase/(decrease)in non controlling interest			(4.08)	(0.88)
Increase/(decrease)in foreign currency translation reserve			11.96	6.72
Purchase of non current investments	(4.89)	(18.59)	(5.69)	(10.66)
Purchase of current investments	-	(9.99)	(0.01)	(9.99)
(Increase)/decrease in other bank balances	(0.70)	(1.02)	(0.69)	(5.57)
Dividend received	-	-	-	0.01
Interest received	2.22	4.57	(5.47)	4.78
Net cash flow from/ (used in) investing activities (B)	(7.30)	(25.65)	(76.53)	(13.70)
(C) Cash flows from financing activities				
Proceeds from long-term borrowings	-	29.24	-	69.28
Repayment of long-term borrowings	(9.49)	(0.51)	(9.48)	(0.51)
Lease Payments	(3.98)	(4.57)	21.64	(5.41)
Increase/(decrease) of short-term borrowings, net	31.07	(12.87)	37.89	(36.64)
Interest paid	(14.55)	(8.08)	(12.06)	(12.29)
Dividends paid (including tax on dividend)	(40.13)	(21.27)	(40.11)	(21.27)
Net cash flow from/ (used in) in financing activities (C)	(37.08)	(18.06)	(2.12)	(6.84)
(D) Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2.73)	4.72	(19.39)	4.53
(E) **Cash and cash equivalents at the beginning of the year**	5.77	8.21	30.28	12.99
(F) Cash and cash equivalents at the end of the year	3.04	12.93	10.89	17.52

MADHYANI & CO. Chartered Accountants

ASM TECHNOLOGIES LIMITED Bangalore

ASM Technologies Limited

80/2, Lusanne Court, Richmond Road, Bangalore - 560 025

Statement of Unaudited Financial Results for the half year ended September 30, 2021

(Rs. in Million)

Sl. No.	Particulars	Standalone						Consolidated					
		Quarter Ended			Half year Ended		Year Ended	Quarter Ended			Half year Ended		Year Ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	**Income**												
	Revenue from operations	350.53	337.71	284.59	688.24	547.22	1,132.17	477.04	416.40	314.21	893.44	587.77	1,373.88
	Other income	6.00	4.28	1.80	10.28	13.65	34.56	3.49	5.02	1.85	8.51	15.32	32.54
	Total Income	356.53	341.99	286.39	698.52	560.87	1,166.73	480.53	421.42	316.06	901.95	603.09	1,406.42
2	**Expenses**												
	Cost of goods sold			-	-	-	-	26.86	21.32	16.15	48.18	25.20	55.31
	Changes in inventories			-	-	-	-	(8.63)	(10.48)	(7.46)	(19.11)	(17.41)	(21.83)
	Employee benefits expense	229.81	212.79	178.82	442.60	345.32	730.27	304.33	282.22	201.28	586.55	381.48	894.71
	Finance costs	8.10	6.45	3.71	14.55	7.88	18.93	10.56	9.09	7.10	19.65	12.29	28.32
	Depreciation and amortisation expense	5.85	1.83	2.43	7.68	7.09	10.07	10.91	8.32	7.36	19.23	17.04	35.69
	Other expenses	68.14	76.07	55.42	144.21	98.46	227.86	77.32	73.93	57.25	151.25	98.18	276.74
	Total Expenses	311.90	297.14	240.38	609.04	458.75	987.13	421.35	384.40	281.68	805.75	516.78	1,268.94
3	**Profit / (Loss) before exceptional items and tax (1 - 2)**	44.63	44.85	46.01	89.48	102.12	179.60	59.18	37.02	34.38	96.20	86.31	137.48
4	Exceptional items	-	-	-				-	-	-			
5	**Profit / (Loss) before tax (3 - 4)**	44.63	44.85	46.01	89.48	102.12	179.60	59.18	37.02	34.38	96.20	86.31	137.48
6	**Tax expense**												
	Current tax	12.26	14.50	11.94	26.76	26.34	52.09	26.87	16.75	11.73	26.87	26.13	54.42
	Deferred tax	(1.76)	(5.81)	(0.06)	(7.57)	0.39	0.98	(8.37)	(9.26)	0.20	(8.37)	0.66	(2.95)
	Total	10.50	8.69	11.88	19.19	26.73	53.07	18.50	7.49	11.93	18.50	26.79	51.47
7	**Profit / (Loss) for the period (5 - 6)**	34.13	36.16	34.13	70.29	75.39	126.53	40.68	29.53	22.45	77.70	59.52	86.01
8	**Other Comprehensive Income (OCI)**												
	(A) i. items that will not be reclassified to Profit or Loss												
	Remeasurement of defined benefit plans	(0.37)	(0.36)	(0.52)	(0.73)	(1.04)	(1.45)	(0.37)	(0.36)	(0.52)	(0.73)	(1.04)	(1.45)
	ii. Income tax relating to items that will not be reclassified to Profit or Loss	0.09	0.09	0.13	0.18	0.26	0.37	0.09	0.09	0.13	0.18	0.26	0.37
	(B) i. items that will be reclassified to Profit or Loss		-							-			
	Changes in fair value of investments in equity instruments and FCTR	1.39	21.49	(0.28)	22.88	(0.04)	(1.19)	34.84	49.14	(8.11)	34.84	(0.04)	9.63
	ii. Income tax relating to items that will be reclassified to Profit or Loss	-	(9.41)	0.07	(9.41)	0.01	0.30	(9.41)	(9.41)	0.07	(9.41)	0.01	0.30
9	**Total Comprehensive Income for the period (7 + 8)**	35.24	47.97	33.53	83.21	74.58	124.56	65.83	68.99	14.02	102.58	58.71	94.86
	Profit for the period attributable to												
	- Owners of the Company							81.89	32.87	22.39	81.89	60.41	85.13
	- Non controlling Interest							(4.19)	(3.34)	0.06	(4.19)	(0.89)	0.88
	Other Comprehensive Income for the period attributable to :												
	- Owners of the Company							25.15	39.46	(8.42)	24.88	(0.81)	8.85
	- Non controlling Interest							-	-	-		-	-
	Total Comprehensive Income for the period attributable to :												
	- Owners of the Company							107.04	72.33	13.97	106.77	59.60	93.98
	- Non controlling Interest							(4.19)	(3.34)	0.06	(4.19)	(0.89)	0.88
10	Paid-up equity share capital (face value of Rs. 10/- each)	100.00	100.00	50.00	100.00	50.00	100.00	100.00	100.00	50.00	100.00	50.00	100.00
11	**Earnings per equity share (of Rs. 10/- each) (not annualised) ***												
	(a) Basic	3.41	3.62	3.41	7.03	7.54	12.65	4.07	2.95	2.25	7.77	5.95	8.60
	(b) Diluted	3.41	3.62	3.41	7.03	7.54	12.65	4.07	2.95	2.25	7.77	5.95	8.60

* revised based on issue of bonus shares

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ASM TECHNOLOGIES LIMITED Bangalore

Segment wise Revenue, Results, Assets and Liabilities

	Financial Results	Standalone						Consolidated					
	For the half year ended September 30, 2021	Quarter Ended			Half year Ended		Year Ended	Quarter Ended			Half year Ended		Year Ended
Sl. No.	Particulars	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	**Segment Revenue**												
	Services:												
	Export	**185.45**	177.35	265.98	**362.80**	512.80	850.89	**209.62**	186.50	262.50	**396.12**	511.89	887.03
	Domestic	**165.08**	160.36	18.60	**325.44**	34.43	281.28	**228.42**	211.74	18.61	**440.16**	34.43	395.68
	Manufacturing:												
	Export	-	-					-	-				23.46
	Domestic	-	-	-			-	**39.00**	18.16	33.11	**57.16**	41.46	67.71
	Revenue from Operations	**350.53**	**337.71**	**284.58**	**688.24**	**547.23**	**1,132.17**	**477.04**	**416.40**	**314.22**	**893.44**	**587.78**	**1,373.88**
2	**Segment Results [Profit/(loss) before interest and tax]**												
	Services:												
	Export	**95.19**	63.85	109.83	**159.04**	182.74	**303.55**	**99.78**	66.59	109.84	**166.37**	182.94	**310.68**
	Domestic	**34.65**	56.13	1.47	**90.78**	5.50	**81.93**	**57.81**	56.63	1.47	**114.44**	5.50	**108.44**
	Manufacturing:												
	Export							-	-		-		**8.01**
	Domestic	-	-	-			-	**23.20**	(14.63)	13.65	**8.57**	16.21	**12.95**
	Segment Profit/(loss) before interest and tax	**129.84**	**119.98**	**111.30**	**249.82**	**188.24**	**385.48**	**180.80**	**108.59**	**124.96**	**289.39**	**204.65**	**440.08**
	Un-allocable expenditure	**83.11**	72.96	63.38	**156.07**	91.89	**221.51**	**114.55**	**67.50**	85.33	182.05	121.37	**306.82**
	Total Profit/(loss) before interest and tax	**46.73**	**47.02**	**47.92**	**93.75**	**96.35**	**163.97**	**66.25**	**41.09**	**39.63**	**107.34**	**83.28**	**133.26**
	Less : Finance costs	**8.10**	6.45	3.71	**14.55**	7.88	**18.93**	**10.56**	9.09	7.10	**19.65**	12.29	**28.32**
	Add : Other Income	**6.00**	4.28	1.80	**10.28**	13.65	**34.56**	**3.49**	5.02	1.85	**8.51**	15.32	**32.54**
	Total Profit/(loss) before tax	**44.63**	**44.85**	**46.01**	**89.48**	**102.12**	**179.60**	**59.18**	**37.02**	**34.38**	**96.20**	**86.31**	**137.48**
		-	-	-	-	-	-		-	-			-

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ASM TECHNOLOGIES LIMITED Bangalore

Notes on Segment Information :

1. The Company is in the business of Engineering and Product R&D services. The Company's primary reporting segment is geographical as the revenue in non software related areas are not more than 10% of the total revenue.

2. Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

3. The group has identified Engineering Services and manufacturing as a secondary segment

Notes :

1.The above financial results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These results have been reviewed by the audit committee and were taken on record by the Board of Directors at their meeting held on October 30, 2021. The review of the financial results for the quarter ended September 30, 2021 has been carried out by the statutory auditors of the Company and have expressed an unmodified audit opinion on these unaudited financial results.

2. During the previous year the Company had invested in the new entity "ASM Digital Engineering Private Limited" (Formerly known as "Semcon India Private Limited") and purchased at its net asset value as on October 31, 2020. Since the said company has been acquired during the mid of the previous year certain figures of the consolidated financial information is not comparable.

3.The consolidated financial results relate to ASM Group. The Group consists of ASM Technologies Ltd and its wholly owned overseas subsidiaries and 70% share of partnership in RV Forms and Gears as follows

1- ASM Digital Technologies Inc (formerly known asPINNACLE TALENT INC), USA
2- ASM Digital Technologies Pte Limited (formerly known as ADVANCED SYNERGIC PTE LTD), SINGAPORE
3- ESR ASSOCIATES INC, USA
4- R V FORMS & GEARS LLP
5- ASM TECHNOLOGIES LTD – JAPAN
6 - ASM Digital Engineering Private Limited (Formerly known as "Semcon India Private Limited")

4.The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of incomes, expenses and capital employed. Any further adjustments that may be necessary due to fresh evidence/facts and interpretations of MCA/ICAI that may be observed/received at the time of finalization of annual financial statements for the quarter ended September 30, 2021.

5. Impact of COVID-19 on Business:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at September 30, 2021, are fully recoverable as on reporting date. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial results.

6. The overseas subsidiaries "Pinnacle Talent Inc, USA, Advanced Synergic Pte Ltd, Singapore and ASM – Japan" has accumulated losses which has exceeded its share capital and has eroded its net worth as at the end of the reporting period. The subsidiary's current liabilities exceeds at total assets by USD 935,429/-, SGD 517,826/- and JPY 21,192,715/- . However, the holding company is authorised by its Board to infuse further funds as and when required and the management has drawn up action plan which would reduce the company's operating costs in the coming years. Based on this, the management is of the opinion that the going concern assumption in preparation of the financial statements is appropriate.

7. The Board of directors have recommended an interim dividend of Rs.2.50 per share.

8. Corresponding figures of the previous period/year have been regrouped wherever necessary to correspond to current period/ year classification.

Place : Bangalore
Date : October 30, 2021

B K RAMADHYANT & CO. LLP BANGALORE-55 Chartered Accountants

Rabindra Srikantan
Managing Director

ASM TECHNOLOGIES LIMITED Bangalore

ASM Technologies Limited

Balance Sheet as at September 30, 2021

(Rs. in million)

Particulars	Standalone		Consolidated	
	30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
	Unaudited	Audited	Unaudited	Audited
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	71.26	45.97	75.64	84.63
(b) Intangible Assets	-	-	122.60	77.82
(c) Capital work-in-progress	-	-	29.75	12.22
(d) Goodwill on consolidation	-	-	0.73	0.73
(f) Financial Assets			-	-
(i) Investments	267.31	254.61	95.56	79.63
(ii) Loans	1.16	1.11	4.45	4.29
(g) Deferred tax assets (net)	30.60	32.25	41.11	41.97
(h) Other non-current assets	47.54	47.96	60.64	61.16
Total Non-current assets	417.87	381.90	430.48	362.45
(2) Current assets				
(a) Inventories	-	-	78.70	59.59
(a) Financial Assets	-	-		
(i) Investments	94.15	91.18	94.15	91.18
(ii) Trade receivables	236.50	197.79	388.66	301.28
(iii) Cash and cash equivalents	3.04	5.77	10.89	30.29
(iv) Bank balances other than (iii) above	72.36	71.67	72.38	71.69
(v) Loans	5.11	6.24	6.03	6.37
(vi) Others	15.35	10.28	15.56	6.15
(c) Current tax assets (Net)	-	-	-	-
(b) Other current assets	263.70	266.77	205.27	227.90
Total Current Assets	690.21	649.70	871.64	794.45
Total Assets	1,108.08	1,031.60	1,302.12	1,156.90
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	100.00	100.00	100.00	100.00
(b) Other Equity	593.96	550.75	534.93	468.18
Total Equity	693.96	650.75	634.93	568.18
NON CONTROLLING INTEREST			0.25	4.33
Total	693.96	650.75	635.18	572.51
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	68.44	77.93	68.45	77.93
(b) Provisions	-	0.00	15.72	13.07
(c) Other non current liabilities	-	-	64.66	33.24
Total Non-current liabilities	68.44	77.93	148.83	124.24
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	179.28	148.21	251.64	213.75
(ii) Trade payables				
(A) total outstanding dues of micro and small enterprises	-	-		
(B) total outstanding dues of creditors other than micro and small enterprises	5.69	11.27	148.48	110.75
(iii) Other financial liabilities	26.09	26.21	33.48	26.00
(b) Other current liabilities	112.08	99.06	77.05	92.12
(c) Provisions	22.54	18.17	7.46	17.53
Total Current liabilities	345.68	302.92	518.11	460.15
TOTAL EQUITY AND LIABILITIES	1,108.08	1,031.60	1,302.12	1,156.90

ASM TECHNOLOGIES LIMITED

Cash Flow Statement for the half year ended September 30, 2021

(Rs. In million)

Particulars	Standalone (Unaudited)		Consolidated (Unaudited)	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
(A) **Cash flows from operating activities**				
Profit / (loss) before tax	89.48	102.12	96.20	86.31
Adjustment to reconcile profit before tax to net cash flows:				
Depreciation and amortization expense	7.68	7.09	19.23	17.04
Finance costs	14.55	7.88	19.65	12.29
Interest income	(7.30)	(5.69)	(3.94)	(5.66)
Fair valuation of mutual fund	(2.97)	(3.36)	(2.97)	(3.36)
Share of profit in LLP	9.78	2.06		
Provision for dimunition in value of investments	2.63	-	-	-
Operating profit before working capital changes	113.85	110.10	128.17	106.62
Movements in working capital :				
Increase/ (decrease) in trade payables	(5.58)	2.65	37.73	85.20
Increase/ (decrease) in other liabilities	(12.05)	(33.43)	(5.29)	(6.75)
Decrease / (increase) in Inventories		-	(19.11)	(17.41)
Decrease / (increase) in trade receivables	(38.71)	74.33	(87.38)	(42.32)
Decrease / (increase) in other non current assets	3.09	-	0.51	(9.11)
Decrease / (increase) in other current assets	1.12	(11.27)	22.63	(0.47)
Decrease / (increase) in other financial assets	(0.04)	(97.25)		(95.28)
Decrease / (increase) in loans and advances	(13.02)	(0.24)	0.18	(0.20)
Increase / (decrease) in provisions	16.90	-	2.77	1.00
Cash generated from /(used in) operations	65.56	44.89	80.21	21.28
Direct taxes paid, net	23.91	(3.54)	20.95	(3.79)
Net cash flow from/ (used in) operating activities (A)	41.65	48.43	59.26	25.07
(B) **Cash flows from investing activities**				
Purchase of Property, plant & equipment (including capital work in progress and capital advances)	(3.93)	(0.68)	(72.55)	(1.17)
Proceeds from sale of Property Plant & equipment	-	0.06	-	3.06
Increase/(decrease)in non controlling interest			(4.08)	(0.88)
Increase/(decrease)in foreign currency translation reserve			11.96	6.72
Purchase of non current investments	(4.89)	(18.59)	(5.69)	(10.66)
Purchase of current investments	-	(9.99)	(0.01)	(9.99)
(Increase)/decrease in other bank balances	(0.70)	(1.02)	(0.69)	(5.57)
Dividend received	-	-	-	0.01
Interest received	2.22	4.57	(5.47)	4.78
Net cash flow from/ (used in) investing activities (B)	(7.30)	(25.65)	(76.53)	(13.70)
(C) Cash flows from financing activities				
Proceeds from long-term borrowings	-	29.24	-	69.28
Repayment of long-term borrowings	(9.49)	(0.51)	(9.48)	(0.51)
Lease Payments	(3.98)	(4.57)	21.64	(5.41)
Increase/(decrease) of short-term borrowings, net	31.07	(12.87)	37.89	(36.64)
Interest paid	(14.55)	(8.08)	(12.06)	(12.29)
Dividends paid (including tax on dividend)	(40.13)	(21.27)	(40.11)	(21.27)
Net cash flow from/ (used in) in financing activities (C)	(37.08)	(18.06)	(2.12)	(6.84)
(D) Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2.73)	4.72	(19.39)	4.53
(E) **Cash and cash equivalents at the beginning of the year**	5.77	8.21	30.28	12.99
(F) Cash and cash equivalents at the end of the year	3.04	12.93	10.89	17.52

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ASM TECHNOLOGIES LIMITED Bangalore

STATEMENT OF ACCOUNTING RATIOS

Particulars	Based on Audited Consolidated Financial Statements As at and for the year ended March 31, 2020	Based on Audited Consolidated Financial Statements As at and for the year ended March 31, 2021
Net Worth (₹ millions)	50.40	56.81
Profit attributable to the owners of the equity	124.30	851.30
Number of the shares outstanding at the end of the year	50,00,000	1,00,00,000
Basic earnings per share (₹)	0.70*	8.60
Diluted earnings per share (₹)	0.70*	8.60
Return on Net Worth (%)	0.01	0.14
Net Asset Value per Equity Share (₹)	56.14	61.62
EBITDA (₹ in million)	23.65	172.62

**Considering issue of bonus shares*

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ Net worth at the end of the year.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation, exceptional items, share of loss of LLP and other income as presented in the statement of profit and loss in the Financial Statements.

CAPITALIZATION STATEMENT

Statement of Capitalisation

Particulars **Based on Audited Consolidated Financial Statements**		**Pre Issue as at March 31, 2021 (₹ In million)**	**As adjusted for the issue (Post Issue)***
Borrowings:			
Current borrowings	**A**	213.75	251.64
Non-current borrowings	**B**	77.93	68.45
Total borrowings	**C=A+B**	**291.68**	**320.09**
Shareholder's fund (Net worth)			
Share Capital	**C**	100.00	110
Other Equity	**D**	468.18	639.93
Total shareholder's fund (Net worth)	**E=C+D**	**568.18**	**749.93**
Non-current borrowing's/shareholder's fund (Net worth) ratio	**B/E**	**0.14**	**0.09**
Total borrowings /shareholders' funds (Net worth) ratio	**C/E**	**0.51**	**0.43**

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long term borrowings.
2. The amounts disclosed above are based on the Restated Financial Information of the company
3. Current borrowings represent borrowings which are due within 12 months from September 30, 2021.
4. *Post Issue column reflects changes in the total equity only on account of the proceeds from the Issue (assuming full subscription of the issue), i.e.,fresh issue of 10,00,000 Equity Shares at a price of ₹ 115/- per Rights Equity Share, including a premium of ₹ 105/- per Rights Equity Share, resulting in an increase of ₹ 10 millions in the equity share capital of our Company and an increase of ₹ 105 millions in other equity. Adjustments do not include Issue related expenses. It does not consider any other transactions or movements for such financial statements line items after September 30, 2021.

STATEMENT OF MATERIAL DEVELOPMENTS AFTER MARCH 31, 2021

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2021, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- The Board of Directors of the Company had, at its meeting held on May 26, 2021, considered and recommended a final dividenf of ₹ 3/- per equity share. The final dividend of ₹ 3/- per equity share was approved by the shareholders of the Company on July 8, 2021.

- The Board of Directors of the Company had, at its meeting held on August 7, 2021 considered and recommended an interim dividend of ₹ 1/- per equity share.

- The Board of Directors of the Company had, at its meeting held on August 21, 2021, *inter-alia*, considered and approved the raising of funds through issue of equity shares of face value of ₹ 10/- each for an aggregate amount of up to ₹ 150 million on a rights basis to the eligible equity shareholders of the Company.

- The Board of Directors of the Company had, at its meeting held on October 30, 2021, declared second interim dividend of ₹ 2.50/- per equity share.

- The Board of Directors of the Company had, at its meeting held on February 01, 2022, declared third interim dividend of ₹ 2.50/- per equity share.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Audited Financial Statements for Financial Years 2021 and 2020 and our Unaudited (Reviewed) Consolidated Financial Results as of and for the six months period ended September 30,2021 and corresponding six months period ended September 30, 2020 , all prepared in accordance with the Companies Act and Ind AS, including the schedules, annexure, notes thereto and the reports thereon, included in the section titled "Financial Information" on page of this Letter of Offer. Unless otherwise stated, financial information used in this section is derived from the Financial Statements.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should also read "Forward-Looking Statements" and "Risk Factors" on pages 16 and 22, respectively, which discuss a number of factors and contingencies that could affect our business, financial condition and results of operations. Our Financial Year ends on March 31 of each year and accordingly, references to Financial Year, are to the 12-month period ended March 31 of the relevant year.

BUSINESS OVERVIEW

Our Company was incorporated as "Advance Synergic Microsystem Limited". The corporate identification number of our Company is L85110KA1992PLC013421. Our Company made its an initial public offering in the year 1994, of 18,50,000 Equity Shares of ₹ 10 each at par aggregating to ₹ 1,85,00,000 and listed its Equity Shares on BSE.

Established in 1992, ASM Technologies Limited is a public listed company (BSE: ASMTEC | 526433) in India with global presence in USA, Singapore, UK, Canada, Mexico and Japan. With over two decades of experience, our Company specialises in in the areas of engineering services, product ER&D with successful offshore development. Our Company also has support centres in India and overseas.

As on date, our business activities are carried out through the following subsidiaries:

1) RV Forms & Gears LLP, India, (Subsidiary)
2) ASM Digital Technologies Pte Limited (Formely known as Advanced Synergic Pte Ltd, Singapore) (WOS)
3) ASM Digital Engineering Private Limited (WOS)
4) ASM Digital Technologies Inc. (*Formerly known as Pinnacle Talent Inc., USA*) (WOS)
5) ASM Technologies Kabushiki Kaisha Japan (WOS)
6) ASM HHV Engineering Private Limited
7) ESR Associates Inc, USA (Step down Subsidiary)

In FY 2021, our Company has launched its own patent-pending solution SmartFix 4.0 - a one-of-a-kind solution for the manufacturing industry. SmartFix 4.0 is an industrial AI solution offering a potent combination of hardware, software and data analytics to increase manufacturing yield and throughput.

Recent Acquisition:

Our Company has recently in the year October 2020 executed a business acquisition agreement with ASM Digital Engineering Pvt Ltd *(formely known as Semcon India Private Limited)*, subsidiary of Semcon AB, Sweden and had also signed a global agreement with Semcon AB, Sweden to enhance its growth and market access in Europe. This acquisition shall help us expand our delivery expertise in engineering services, with focus on Automotive and Digital Engineering and giving our Company access to marquee customers in Northern and Central Europe. Besides this acquisition we have also made strategic investments in several emerging technology companies through ASM Ventures. We have also entered into Global Cooperation Agreement with Semcon AB, Sweden to provide them access to India's unrivalled scale and capability base for Engineering Services. Pursuant to the agreement, both the companies will collaborate to scale by reciprocal access to a combined talent pool and strong capabilities in key areas such as Product Design and R&D, Embedded and Electronics, Value Engineering, Digital Engineering and Manufacturing Engineering.

RESULTS OF OPERATIONS

Particulars	Six months period ended September 2021		Six months period ended September 2020		Fiscal 2021 Consolidated		Fiscal 2020 Consolidated	
	Amount in ₹ millions	% of Total income	Amount in ₹ millions	% of Total income	Amount in ₹ millions	% of Total income	Amount in ₹ millions	% of Total Income
i. Revenue from Operations								
(a) Sale of Services								
Export	396.12	43.92	511.89	84.88	887.03	63.07	778.51	80.97
Domestic	440.16	48.8	34.43	5.71	395.68	28.13	78.84	8.2
Total Revenue from Sale of Services	836.28	92.72	546.32	90.59	1282.71	91.2	857.36	89.17
(b) Sale of Goods								
Export	-	-	-	-	23.46	1.67	-	
Domestic	57.16	6.34	41.46	6.87	67.71	4.81	62.77	6.53
Total Revenue from Sale of Goods	57.16	6.34	41.46	6.87	91.17	6.48	62.77	6.53
Total Revenue from Operations (i)	893.44	99.06	587.77	97.46	1,373.88	97.68	920.13	95.71
ii. Other Income	8.51	0.94	15.32	2.54				
Interest on Bank Deposits	3.94	0.44	5.66	0.94	13.24	0.94	8.32	0.87
Dividend Income				-	0.01	0	0.08	0
Gain or loss on Mutual Fund	2.97	0.33	3.36	0.56	6.09	0.43	13.97	1.45
Miscellaneous Income	1.13	0.13	6.3	1.04	13.2	0.94	2.16	0.22
Exchange fluctuation gain	0.47	0.05			-	-	16.77	1.74
ii. Total Other Income	8.51	0.94	15.32	2.54	32.54	2.31	41.3	4.3
Total Income (i+ii)	901.95	100	603.09	100	1,406.42	100	961.43	100

Total Income

Our revenue comprises of:

Revenue from operations

Our revenue from operations consists of Sale of Services and Sale of Goods. Sale of Services being a major contributor to our revenue accounted for 92.72%, 90.59%, 91.20%, and 89.17.% of our revenue for the six months period ended September 30, 2021, six months period ended September 2020, Financial Year 2021, and Financial Year 2020, respectively. For six months period ended September 30, 2021, export revenues, domestic revenues from sale of services constituted 44.34% and 49.27% and domestic revenues from sale of goods constituted 6.40% of total revenues from operations of ₹ 893.44 million. For six months period ended September 2020, export revenues, domestic revenues from sale of services constituted 87.09% and 5.86% and domestic revenues from sale of goods constituted 7.05% of total revenues from operations of ₹ 587.77 million.

For Financial Year 2021, our company had total revenue from operations of ₹ 1373.88 million of which export revenues, domestic revenues from sale of services constituted 64.56%, 28.80% and export revenues, domestic revenues from sale of goods constituted 1.71% and 4.93%. For Financial Year 2020, our company had total revenue from operations of ₹ 920.13 million of which export revenues, domestic revenues from sale of services constituted 84.61%, 8.56% and domestic revenues from sale of goods constituted the balance 6.82%.

Other Income

Our other income comprises of Interest on Bank Deposits, Dividend income, Gain/Loss on Mutual Fund investments, miscellaneous income and Exchange fluctuation gain. Our other income accounted for 0.73%, 0.59%, 2.31%, and 4.30% of our revenue for the six months period ended Sept 2021, six months period ended September 2020, Financial Year 2021, and Financial Year 2020, respectively.

Particulars	Six months period ended September 2021		Six months period ended September 2020		Fiscal 2021		Fiscal 2020	
	(Consolidated)		(Consolidated)		(Consolidated)		(Consolidated)	
	Amount in ₹ millions	% of Revenue	Amount in ₹ millions	% of Revenue	Amount in ₹ millions	% of Revenue	Amount in ₹ millions	% of Revenue
Income								
Revenue from Operations	893.44	99.06	587.77	97.46	1,373.88	97.69	920.13	95.7
Other income	8.51	0.94	15.32	2.54	32.54	2.31	41.3	4.3
Total Revenue	901.95	100.00	603.09	100.00	1,406.42	100	961.43	100
Expenses								
Cost of goods sold	48.18	5.34	25.20	4.18	55.31	3.93	41.75	4.34
Changes in inventories	-19.11	-2.12	-17.41	-2.89	-21.83	-1.55	-12.91	-1.34
Employee benefits expense	586.55	65.03	381.48	63.25	894.71	63.62	641.6	66.73
Finance costs	19.65	2.18	12.29	2.04	28.32	2.01	16.85	1.75
Depreciation and amortisation expense	19.23	2.13	17.04	2.83	35.69	2.54	29.45	3.06
Other expenses	151.25	16.77	98.18	16.28	276.74	19.68	226.04	23.51
Total Expenses	805.75	89.33	516.78	85.69	1,268.94	90.22	942.78	98.06
Profit/(loss) before extraordinary, exceptional items and tax	96.20	10.67	86.31	14.31	137.48	9.78	18.65	1.94
Exceptional items								
Profit before tax	96.20	10.67	86.31	14.31	137.48	9.78	18.65	1.94
Current Tax	26.87	2.98	26.13	4.33	54.42	3.87	5.83	0.61
Deferred Tax	-8.37	-0.93	0.66	0.11	-2.95	-0.21	5.85	0.61
Net Profit for the year	77.70	8.61	59.52	18.75	86.01	6.12	6.97	0.72

Expenses:

Cost of Goods Sold

Cost of Goods Sold includes purchase of material by our subsidiary company RV Forms & Gears LLP that accounted for 5.34%, 4.18%, 3.93%, and 4.34% of our revenue for the six months period ended September 30, 2021, six months period ended September 30, 2020, Financial Year 2021, and Financial Year 2020, respectively.

Changes in inventories

Changes in inventories accounted for (2.12)%, (2.89)%, (1.55)%, and (1.34)% of our revenue for the six months period ended September 30, 2021, six months period ended September 30, 2020, Financial Year 2021, and Financial Year 2020, respectively.

Employee benefits expense

Employee benefits expense includes (i) salaries and wages (ii) contribution to provident fund and ESI, (iii) gratuity, (iv) leave encashment and (v) staff welfare expenses. Employee benefits expense accounted for 65.03%, 63.25%, 63.62%, and 66.73% of our revenue for the six months period ended September 30, 2021, six months period ended September 30, 2020, Financial Year 2021, and Financial Year 2020, respectively.

Finance costs

Finance cost include interest on bank borrowings and other interest. Finance costs accounted for 2.18%, 2.04%, 2.01%, and 1.75% of our revenue for the six months period ended September 30, 2021, six months period ended September 30, 2020, Financial Year 2021, and Financial Year 2020, respectively.

Depreciation and amortization expenses

Depreciation represents depreciation on our property (land & building), computer systems and equipment and vehicles. Amortization represents amortization of right of use assets and intangible assets. Depreciation is calculated on straight line method over the estimated useful life of all assets, these lives are in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual value and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on prospective basis.

Depreciation and amortization expense accounted for 2.13%, 2.83%, 2.54%, and 3.06% of our revenue for the six months period ended September 30, 2021, six months period ended September 30, 2020, Financial Year 2021, and Financial Year 2020, respectively.

Other expenses

Other expenses include travelling and conveyance expenses, services rendered by business associates & others, software, hardware & material costs, legal & professional fees, rent, repairs & maintenance amongst other items. Other expenses accounted for 16.77%, 16.28% 19.68%, and 23.51% of our revenue for the six months period ended September 30, 2021, six months period ended September 30, 2020, Financial Year 2021, and Financial Year 2020, respectively.

Six months period ended September 30, 2021 compared with six months period ended September 30, 2020

Total revenue

Our total revenue, which comprised of revenue from operations and other income, for the six months period ended September 30, 2021, was ₹901.95 million as compared to ₹603.09 million for the six months period ended September 30, 2020, representing an increase of 49.55%.

Revenue from Operations

Our revenue from operations increased by ₹305.67 million or by 52.01% from ₹587.77 million in six months period ended September 30, 2020 to ₹893.44 million in six months period ended September 30, 2021. This increase was primarily due to increase in revenue from sale of services.

Other Income

Our other income decreased by ₹6.81 million or by (44.45)% from ₹15.32 million in six months period ended September 30, 2020 to ₹8.51 million in six months period ended September 30, 2021. This decrease was driven by change in miscellaneous income, during September 2020. Miscellaneous income included onetime grants received from US government due to COVID.

Expenditure

Our total expenses increased by ₹288.97 million or by 55.92% from ₹516.78 million in six months period ended September 2020 to ₹805.75 million in six months period ended September 2021.

Cost of Goods Sold

Our cost of goods sold increased by ₹22.98 million or by 91.19% from ₹25.20 million in six months period ended September 2020 to ₹48.18 million in six months period ended September 2021.

Change in inventories

Our inventories decreased by ₹1.70 million or by (9.76)% from ₹(17.41) million in six months period ended September 30, 2020 to ₹(19.11) million in six months period ended September 30, 2021.

Employee benefits expense

Employee benefits expense increased by ₹205.07 million or by 53.76% from ₹381.48 million in six months period ended September 30, 2020 to ₹586.55 million in six months period ended September 30, 2021. This was primarily due to increase in number of employees coupled with salaries and wages hike, which increased by ₹201.39 million. Contribution to Provident fund was increased by ₹3.68 million from ₹10.30 million in six months period ended September 30, 2020 to ₹13.98 million in six months period ended September 30, 2021. Employee benefit expenses contributed 65.03% of the total revenues for the six months period ended September 30, 2021 vis-à-vis 63.25% of the total revenues for the six months period ended September 30, 2020.

Finance costs

Finance costs increased by ₹7.36 million or by 59.89% from ₹12.29 million in six months period ended September 30, 2020 to ₹19.65 million in six months period ended September 30, 2021. This increase in finance costs was primarily on account of increase in –working capital requirement due to increase in business operations and consequent increase in revenue. Finance cost contributed 0.02% of the total revenues for the six months period ended September 30, 2021 vis-à-vis 2.04% of the total revenues for the six months period ended September 30, 2020.

Depreciation and amortisation expense

Our depreciation and amortization expense increased by ₹2.19 million or by (12.85)%, from ₹17.04 million in six months period ended September 30, 2020 to ₹19.23 million in six months period ended September 30, 2021. Depreciation and amortisation expense contributed 2.13% of the total revenues for the six months period ended September 30, 2021 vis-à-vis 2.83% of the total revenues for the six months period ended September 30, 2020.

Other expenses

Other expenses increased by ₹53.07 million or by 54.05% from ₹98.18 million in six months period ended September 30, 2020 to ₹151.25 million in six months period ended September 30, 2021. This was primarily due an increase of (i) ₹5.93 million in increase in Advertisement and Business promotion and (ii) Professional expenses increased by ₹ 20 million.

Profit before tax

In light of above discussions, our profit before tax increased by ₹ 9.89 million or by (11.46)% from ₹ 86.31 million in six months period ended September 30, 2020 to ₹ 96.20 million in six months period ended September 30, 2021.

Tax expense

Our total tax expense increased by ₹ 0.74 million or by (2.83)% from ₹ 26.13 million in six months period ended September 30, 2020 to ₹ 26.87 million in six months period ended September 30, 2021 due to decrease in profits before tax.

Profit

For the various reasons discussed above, and following adjustments for tax expense, we recorded a decrease in our profit by ₹35.40 million or by (31.30)% from ₹59.52 million in six months period ended September 30, 2020 to ₹77.70 million in six months period ended September 30, 2021.

Financial Year 2021 compared with Financial Year 2020

Total revenue

Our total revenue, which comprised of revenue from operations and other income, for the Financial Year 2021, was ₹1,406.42 million as compared to ₹961.43 million for the Financial Year 2020, representing an increase of 46.28%. This was primarily on account of increase in revenues from operations as detailed below.

Revenue from Operations

Our revenue from operations increased by ₹453.75 million or by 49.31% from ₹920.13 million in Financial Year 2020 to ₹1,373.88 million in Financial Year 2021. This increase was primarily due to increase in revenue from sale of services and sale of goods, primarily attributable to pent up business requirements executed predominantly from existing clients.

Other Income

Our other income decreased by ₹8.76 million or by (21.21)% from ₹41.30 million in Financial Year 2020 to ₹32.54 million in Financial Year 2021. This decrease was majorly driven by exchange rate fluctuations and investments in mutual funds

Expenditure

Our total expenses increased by ₹326.16 million or by 34.60% from ₹942.78 million in Financial Year 2020 to ₹1,268.94 in Financial Year 2021.

Cost of Goods Sold

Our cost of goods sold increased by ₹13.56 million or by 32.48% from ₹41.75 million in Financial Year 2020 to ₹55.31 million in Financial Year 2021, primarily due to increase in revenue from operations.

Change in inventories

Change in inventories decreased by ₹8.92 million or by (69.09)% from ₹(12.91) million in Financial Year 2020 to ₹(21.83) million in Financial Year 2021.

Employee benefits expense

Employee benefits expense increased by ₹253.11 million or by 39.45% from ₹641.60 million in Financial Year 2020 to ₹894.71 million in Financial Year 2021. This was primarily due to hike in salaries and wages by ₹233.10 million and consequent increase in contribution to provident fund by ₹9.66 million. Employee benefit expenses contributed 63.62% of the total revenues for the Financial Year 2021 vis-à-vis 66.73% of the total revenues for the Financial Year 2020. The number of permanent employees in as on March 31, 2021 was 1,107 vis-à-vis 629 as on March 31, 2020

Finance costs

Finance costs increased by ₹11.47 million or by 68.07% from ₹16.85 million in Financial Year 2020 to ₹28.32 million in Financial Year 2021. This increase in finance costs was primarily on account of increase working capital requirements and therefore of interest costs by ₹10.88 million. Finance cost contributed 2.01% of the total revenues for the Financial Year 2021 vis-à-vis 1.75% of the total revenues for the Financial Year 2020.

Depreciation and amortisation expense

Our depreciation and amortization expense increased by ₹6.24 million or 21.19%, from ₹29.45 million in Financial Year 2020 to ₹35.69 million in Financial Year 2021. This was primarily due to increase in computer equipment and right of use assets. Depreciation and amortisation expenses contributed 2.54% of the total revenues for the Financial Year 2021 vis-à-vis 3.06% of the total revenues for the Financial Year 2020

Other expenses

Accordingly, other expenses increased by ₹50.70 million or by 22.43% from ₹226.04 million in Financial Year 2020 to ₹276.74 million in Financial Year 2021. This was primarily due an increase of (i) ₹44.24 million in software, hardware and material costs and (ii) ₹66.77 million in legal and professional fees amongst other expenses.

Profit before tax

In light of above discussions, our profit before tax increased by ₹118.83 million or by 637.16% from ₹18.65 million in Financial Year 2020 to ₹137.48 million in Financial Year 2021.

Tax expense

Our total tax expense increased by ₹39.79 million or by 340.67% from ₹11.68 million in Financial Year 2020 to ₹51.47 million in Financial Year 2021 due to increase in profits before tax.

Profit

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in our profit by ₹79.04 million or by 1134.00% from ₹6.97 million in Financial Year 2020 to ₹86.01 in Financial Year 2021. This was due to increased revenues and reduction in certain fixed expenses attributable to COVID-19 which had a significant impact on the business.

Cash Flows

The following table sets forth certain information relating to our cash flows under Ind AS in Financial Year 2021 and Financial Year 2020:

Amount in ₹ millions

Particulars	**As at 31st Mar 21 (Consolidated)**	**As at 31st Mar 20 (Consolidated)**
Net cash flow from operating activities	42.32	(84.50)
Net cash flow used in investing activities	(89.33)	49.00
Net cash flow (used in)/from financing activities	69.87	2.08
Net increase in cash and cash equivalents	22.86	(33.42)
Cash and cash equivalents at the beginning of the year	6.90	40.32
Cash and cash equivalents at the end of the year	29.76	6.90

Net cash generated from operating activities

Net cash generated from operating activities in the Financial Year 2021 was ₹42.32 million and our profit before tax that period was ₹137.48 million. The difference was on account of Depreciation and amortization expense of ₹35.69 million, Finance cost of ₹28.32 million and thereafter change in inventories, trade receivables and trade payables of ₹(21.83), ₹(89.60) and ₹74.72 million respectively, resulting in gross cash generated from operations at ₹ 71.81 million. We paid direct tax of ₹ 29.49 million.

Net cash generated from operating activities in the Financial Year 2020 was ₹(84.50) million and our profit before tax was ₹18.65 million. The difference was on account of fair valuation of mutual fund of ₹(13.97) million, depreciation of ₹29.45 million, Finance cost of ₹16.85 million and thereafter change in inventories, trade receivables and trade payables of ₹(12.91), ₹58.24 and ₹(49.52) million respectively, resulting in gross cash generated from operations at ₹(26.26) million. We paid direct tax of ₹ 58.24 million.

Net cash used in investing activities

In the Financial Year 2021, our net cash used in investing activities was ₹(89.33) million. This was primarily on account of (i) purchase of property, plant & equipment of ₹60.35 million, and (ii) purchase of non-current investments of ₹ 29.14 million.

In the Financial Year 2020, our net cash generated from investing activities was ₹49.00 million. This was on primarily account of (i) proceeds from sale of current investments of ₹79.62 million and (ii) ₹4.46 million increase in other bank balances

Net cash generated from/ used in financing activities

In the Financial Year 2021, our net cash generated from financing activities was ₹69.87 million. This was primarily due to proceeds from long – term borrowings of ₹ 96.91 million, Subsidy received from Government of ₹3.00 million and payment of interest and dividend of ₹28.28 and ₹31.59 million respectively.

In the Financial Year 2020, our net cash generated from financing activities was ₹2.08 million. This was primarily due to proceeds from long – term borrowings of ₹ 47.51 million, payment of interest and dividend of ₹16.86 and ₹18.10 million respectively..

Contingent liabilities

The statement of contingent liabilities of our Company for March 31, 2021 are as mentioned in the table below:

(Amount in ₹ millions)

Particulars	As at March 31, 2021
Service tax claim(company filed appeal against the order)	41.85
Show cause notice received from service tax authorities	182.28
Income tax under appeal of which the Company has paid an amount of ₹22.73 million under protest	58.44
Income tax deducted at source demand under the traces software for short and non-remittances of tax deduction at source – matter under examination.	5.21

Capital expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for investments in property, office equipment and other assets, including businesses that supplement our technical workforce and which shall be utilised to further our business operations.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business including purchase of fixed assets, rent paid and managerial remuneration. For further information relating to our related party transactions, see "*Audited Consolidated Financial Statements - Notes to Financial Statements – Note 30 – Related party disclosures*" on page F-38.

Reservations, Qualifications and Adverse Remarks by the statutory auditors

There are no reservations, qualifications and adverse remarks by our Statutory Auditors during the last two financial years.

Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for six months period ended September 30, 2020, six months period ended September 30, 2021, Financial Year 2020 and Financial Year 2021.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, during the last three financial years**.**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates

as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employee prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Credit Risk

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. ***Unusual or infrequent events or transactions***

   As on date, there have been no unusual or infrequent events or transactions including unusual trends (including COVID-19) on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

2. ***Significant economic changes that materially affected or are likely to affect income from continuing operations.***

   Apart from the risks as disclosed under Section "*Risk Factors"* beginning on page 22, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

   Apart from the risks as disclosed under Section "*Risk Factors"* beginning on page 22, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. ***Future changes in relationship between costs and revenues***

   Our Company's future costs and revenues will be determined by demand/supply situation, both of the end services provided by us as well as the prices of our service that our customers are willing to pay, cost of employees, government policies and budget constraints of our customer(s) and suppliers.

5. ***Increases in net sales or revenue and introduction of new products or services or increased sales prices***

   Increases in revenues shall by and large be linked to increases in volume of business and/or linked to any new customer acquisition.

6. ***Status of any publicly announced New Products or Business Segment***

   Except as disclosed elsewhere in the Letter of Offer, we have not announced and do not expect to announce in the near future any new products or business segments.

7. ***Total Turnover of Each Major Industry Segment in Which the Issuer Operates***

Our Company currently operates in the Information Technology – Engineering Research & Development Services sector. Details of the industry turnover and other relevant information, if available is disclosed in the section "*Industry Overview*" beginning on page 63.

8. Seasonality of business

We believe that our Company's business is not seasonal in nature.

9. Any Major Dependence on a single or few suppliers or customers

Other than as described in this Letter of Offer, particularly in sections *"Risk Factors* "on page 22 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

10. Competitive conditions:

Competitive conditions are as described under the chapters "*Industry Overview*" and "*Our Business*" beginning on pages 63 and 75 respectively.

11. Significant Developments after March 31, 2021 that may affect our results of operations

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation*", "*Our Business*" and "*Risk Factors*" on pages 96, 75 and 22 respectively.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID)

Our management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, our company, as at the date of approval of the financial statements has used internal and external sources of information to assess the expected future performance of our company. Our company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, and expects that the carrying amount of the assets, as reflected in the balance sheet as at March 31, 2021, are fully recoverable. Our management has estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position: and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of (a) the "Policy for Determination of Materiality of Events and Information" adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the materiality policy adopted by the Board of Directors of our Company through its resolution dated August 21, 2021 for the purpose of litigation disclosures in this Letter of Offer (**"Materiality Policy"**)*

In this regard, please note the following:

1. *Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violation of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount equal to or exceeding 1% or more of the consolidated total revenue, as per the Audited Consolidated Financial Statements of the last financial year of the Company, whichever is lower. (**"Materiality Threshold"**) and/or (ii) is otherwise determined to be material in terms of Materiality Policy. As per our materiality policy the materiality threshold for litigation is ₹ 1.16 million.*

2. *Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issued of moral turpitude, criminal liability and material violation of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company is impleaded as defendants in litigation proceedings before nay judicial forum.*

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

1. Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Company

Nil

B. Proceedings involving issues of moral turpitude or criminal liability initiated by our Company

Nil

C. Proceedings involving material violations of statutory regulations by our Company

Nil

D. Economic offences where proceedings have been initiated against our Company

Nil

E. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Material Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

Nil

F. Tax Proceedings

Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

Particulars	**Number of cases**	**Amount involved* (₹ in millions)**
	Indirect Tax	
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax@	03^	224.13
Total	**03^**	**224.13**
	Direct Tax	
Appeal filed against the order passed against our Company*	02#	8.7
Cases filed by our Company	Nil	Nil
Total	**02**	**8.7**

@ Our Company filed appeal against the order. Cases are pending with the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")

** CIT Appeal pending for hearing before Comnissonnaire of Income Tax, Appeals*

^Includes a showcause notice for ₹182.28 million

 # Vide order dated January 19, 2022 passed by Deputy Commissioner of Income Tax, Bengaluru, our Company was awarded a refund amounting to ₹ 35.63 millions.

2. Litigations involving our Subsidiaries

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Subsidiaries, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Subsidiaries

Nil

B. Proceedings involving issues of moral turpitude or criminal liability initiated by our Subsidiaries

Nil

C. Proceedings involving material violations of statutory regulations by our Subsidiaries

Nil

D. Economic offences where proceedings have been initiated against our Subsidiaries

Nil

E. Other proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Material Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

Nil

F. Tax Proceedings

Nil

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations ("**Approvals**") for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the manufacturing facility is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards working capital requirements and for general corporate purposes, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated August 21, 2021, authorised the Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Board has, at its meeting held on February 15, 2022, determined the Issue Price as ₹ 115/- per Rights Equity Share and the Rights Entitlement as 1 (One) Rights Equity Share(s) for every 10 (Ten) Equity Share(s) held on the Record Date, i.e., Monday, March 21, 2022. The Issue Price of ₹ 115/- per Rights Equity Share has been arrived at, in consultation with the Lead Manager. On Application Investors have to pay ₹ 35/- per Rights Equity Share, which constitutes 30.44% of the Issue Price and balance ₹ 80/- per Rights Equity Share, which constitutes 69.56% of the Issue Price, will have to be paid on the First and Final Call as may be deceided by the Board from time to time.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter bearing reference number DCS/RIGHT/VJ/FIP/1851/2021-22 dated January 28, 2022 issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Disclaimer Clause of SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹500 million.

Disclaimer from our Company and our Directors

Our Company accepts no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Bengaluru, India only.

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to us, post scrutiny of the Draft Letter of Offer will be inserted prior to filing of the Letter of Offer with the Stock Exchange is as under.

"BSE Limited ("the Exchange") has given vide its letter dated January 28, 2022, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner

1. Warrant, certify or endorse the correctness or completeness of any contents of this letter of offer; or
2. Warrant that this Company's securities will be listed or will continue to be listed on the Stock Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemd or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person. The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter ("**Issue Materials**") and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue

Materials may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Issue Material or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise

located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**Securities Act**"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, Legal Advisor, Lead Manager, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated October 30, 2021 from our Statutory Auditor, namely, M/s. B.K. Ramadhyani & Co., LLP, Chartered Accountants for inclusion of their (i) report dated May 26, 2021 on the Audited Consolidated Financial Information in this Letter of Offer, (ii) report dated October 30, 2021 on the Limited Reviewed Unaudited Consolidated Financial Statements for six months period ended September 30, 2021; and (iii) to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated October 30, 2021 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Our Company has received written consent dated January 13, 2022 from our Statutory Auditor, namely, M/s. B.K. Ramadhyani & Co., LLP, Chartered Accountants for inclusion of their (i) report dated May 26, 2021 on the Audited Consolidated Financial Information in this Letter of Offer, (ii) report dated October 30, 2021 on the Limited Reviewed Unaudited Consolidated Financial Statements for six months period ended September 30, 2021; and (iii) to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated October 30, 2021 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by M/s. B.K. Ramadhyani & Co., LLP, Chartered Accountants, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/ Rights Issue of our Company

Our Company has not made any rights issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

As on the date of filing this Letter of Offer, our Company does not have any subsidiaries or associate companies that are listed on any Stock Exchange.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights KFin Technologies Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

KFIN TECHNOLOGIES PRIVATE LIMITED
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad 500 032
Telangana, India.
Tel: +91 40 6716 2222/ /+91-40-7961 1000
Email: asmltd.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders etc.

Vanishree Kulkarni, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

80/2, Lusanne Court, Richmond Road, Bangalore, Karnataka – 560 025, India.
Telephone: +91 80 6696 2300 / 2301

E-mail: vanishree.kulkarni@asmltd.com

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or R-WAP facility as disclosed in this section.

Investors are requested to note that Application in this Issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA is onetime relaxation made available by SEBI in view of the COVID-19 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at https://rights.kfintech.com.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Important:

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send/ dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

(i) our Company at www.asmltd.com ;
(ii) the Registrar at https://rights.kfintech.com;
(iii) the Lead Manager, i.e., Saffron Capital Advisors Private Limited at www.saffronadvisor.com;
(iv) the Stock Exchange at www.bseindia.com; and
the Registrar's web-based application platform at https://rights.kfintech.com ("**R-WAP**")

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.asmltd.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue i.e. R-WAP, Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP. For details, see "- *Procedure for Application through the ASBA Process*" and "-*Procedure for Application through the R-WAP*" on page 127 and 128.

a. **ASBA facility**: Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

   Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application through the ASBA Process*" on page 127.

   Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

   Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b. **Registrar's Web-based Application Platform (R-WAP):** In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular SEBI/HO/CFD/DIL1/CIR/P2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021 a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, **R-WAP is only an additional option and not a replacement of the ASBA process**. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTOR - The R-WAP payment*

***mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.*" on page 34 .**

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions or call helpline number (1800 3094 001). For details, see "- *Procedure for Application through the R-WAP*" on page 128.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see "*Grounds for Technical Rejection*" on page 137 . Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see "*Application on Plain Paper under ASBA process*" on page 131.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, by Wednesday, April 06, 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.asmltd.com)

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com
- Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: https://rights.kfintech.com

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.asmltd.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see *"Notice to Investors"* on page 11.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 115/- per Rights Equity Share (including premium of ₹ 105/- per Rights Equity Share) in this Issue. On Application, Investors will have to pay ₹ 35/- per Rights Equity Share, which constitutes 30.44% of the Issue Price and ₹ 80/- per Rights Equity Share which constitutes 69.56% of the Issue Price will be payable by the Investors on First and Final Call as determined by our Board from time to time.

The Rights Equity Shares will be partly paid-up to the extent of 30.44% of the Issue Price along with the Application, 69.56% of the Issue Price shall be paid on or before the date of First and Final Call.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Shares for every 10 (Ten) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., Monday, March 21, 2022.

Terms of Payment

The Issue Price of ₹ 115/- per Rights Equity Share shall be payable as follows*:

Amount payable per Rights Equity Share	Face Value (₹)	Premium (₹)	Total (₹)
On Application	3	32	35
On First and Final Call	7	73	80
Total	**10**	**105**	**115**

**Investors shall be required to make the balance payments towards the Call notice by the due date, which shall be separately notified by our Company.*

Note:

1. Out of the amount of ₹ 35/- paid on the Application, ₹ 3/- would be adjusted towards the face value of the Rights Equity Shares and ₹ 32/- shall be adjusted towards the premium of the Rights Equity Shares.
2. Out of the amount of ₹ 80/- paid on First and Final Call, ₹ 7/- would be adjusted towards the face value of the Rights Equity Shares and ₹ 73/- shall be adjusted towards the premium of the Rights Equity Shares.
3. Call notice for First and Final Call shall be sent by our Company for making the payments towards the balance amount due.
4. Rights Equity Shares in respect of which the Call payable remains unpaid may be forfeited at any time after the due date for payment of the balance amount due in Accordance with the Companies Act, 2013 and our Articles of Associations.

Procedure for Call Notice(s)

The Company would convene a meeting of the Board to pass the required resolutions for making the Call and suitable intimation would be given by the Company to the Stock Exchange. Further, advertisements for the same will be published in one (1) English national daily newspaper, one (1) Kannada language daily newspaper (Kannada beoing the regional language of Bangalore where our Registered Offie is situated) and one (1) in Hindi national daily newspaper, all with wide circulation. The First and Final Call shall be deemed to have been made at the time when the resolution authorizing such Call is passed at the meeting of the Board. The Call may be revoked or postponed at the discretion of the Board. Pursuant to the provisions of the Articles of Association of the Company, the Investors would be given at least fourteen (14) days‘ notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. If the Investors

fail to pay the First and Final Call within the due date fixed by the Board or any extension thereof, the application money already paid may be forfeited.

I. Record date for Call and suspension of trading

The Company would fix record date giving at least seven (07) days prior notice to the Stock Exchange for the purpose of determining the list of Equity Shareholders to whom the notice for the Call pursuant to the First and Final Call would be sent. Trading of Rights Equity Shares would be terminated for a certain period under applicable rules and regulations, prior to the record date for the First and Final Call.

II. Separate ISIN for Partly Paid-up Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for Rights Equity Shares, until fully paid-up. The Rights Equity Shares offered under the Issue will be traded under a separate ISIN for the period as may be applicable under the rules and regulations prior to the record date for the First and Final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Record Date for the First and Final Call Notice. On payment of the First and Final Call money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid up and merged with the existing ISIN for our Equity Shares.

Payment of Call Money

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in calls for partly paid specified securities issued by the listed entity, the Investor may make payment of the Call Money using ASBA Mechanism through the Designated Branch of the SCSB or through online/ electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call Money, in the Investor's ASBA Account. The Investor may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Money.

Listing of Partly Paid-up Equity Shares

The partly paid-up Rights Equity Shares would be listed on the Stock Exchange. Trading of Rights Equity Shares would be terminated for a certain period under applicable rules and regulations, prior to the record date for the First and Final Call. The listing and trading of the partly paid-up Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Any change in the regulatory regime would accordingly affect the schedule.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see "*Procedure for Renunciation of Rights Entitlements*" on page 129.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE867C20028. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from Monday, March 28, 2022 to Wednesday, April 06, 2022 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, by Wednesday, April 06, 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "*PROCEDURE FOR APPLICATION*" ON PAGE 125 .

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN INE867C20028 . Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, March 28, 2022 to Wednesday, April 06, 2022 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see "- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on pages 130 and 130 respectively. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see "*Procedure for Application*" on page 125.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The un-blocking of ASBA funds/ refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Shares for every 10 (Ten) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 10 (Ten) Equity Shares or is not in the multiple of 10 (Ten) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one (1) additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 10 (Ten) Equity Shares, such Equity Shareholder will be entitled to 1 (One) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 10 (Ten) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting

rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHT/VJ/FIP/1851/2021-22 dated January 28, 2022. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, till the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the First and Final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 526433) under the ISIN: INE867C01010. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading *—Terms of Payment* at page 119 of this Letter of Offer.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 18.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

a) The right to receive dividend, if declared;

b) The right to vote in person, or by proxy;

c) The right to receive surplus on liquidation;

d) The right to free transferability of Rights Equity Shares;

e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and

f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send/ dispatch the Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Kannada language daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on einward.ris@kfintech.com or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Lead Manager and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to there patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email on einward.ris@kfintech.com or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Investors in the Issue, i.e. R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 133.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc*. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renouncees and Eligible Equity Shareholders who have not received the Application Form can download the same from the website of the Registrar, our Company, the Lead Manager or Stock Exchange.

In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

(i) our Company at www.asmltd.com ;
(ii) the Registrar at https://rights.kfintech.com;
(iii) the Lead Manager, *i.e.*, Saffron Capital Advisors Private Limited www.saffronadvisor.com at;
(iv) the Stock Exchange at www.bseindia.com; and
(v) the R-WAP at https://rights.kfintech.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.asmltd.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights

Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filing the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB and R-WAP). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- *Grounds for Technical Rejection*" on page 137. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Application on Plain Paper under ASBA process"* on page 131.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the

Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "*Risk Factors – The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways*" on page 34.

Set out below is the procedure followed using the R-WAP:

a. Resident Investors should visit R-WAP (accessible at https://rights.kfintech.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

b. Non-resident Investors are not eligible to apply in this Issue through R-WAP.

c. Only resident Investors are eligible to apply in this Issue through R-WAP.

d. The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.

e. The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for. A Shareholder who has purchased Rights Entitlement from the Stock Exchange or through off-market transaction, should select "Eligible Equity Shareholder" category.

f. Investors applying in the Issue through UPI facility should accept the debit/ payment request in the relevant mobile application for which the UPI ID details were provided.

g. Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online

Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Rights Issue Circulars.

h. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. **Applications made using payment from third party bank accounts will be rejected.**

i. Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

j. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filing the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account there at.

Please note that on the Issue Closing Date for (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange and (ii) the R-WAP facility will be available until 5.00 pm (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 131.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "- *Basis of Allotment*" on page 142 .

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE867C20028 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, March 28, 2022 to Wednesday, April 06, 2022 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE867C20028 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE867C20028 , the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not been entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being ASM Technologies Limited ;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Registered Folio Number/ DP and Client ID No.;

4. Number of Equity Shares held as on Record Date;

5. Allotment option – only dematerialised form;

6. Number of Rights Equity Shares entitled to;

7. Number of Rights Equity Shares applied for within the Rights Entitlements;

8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;

10. Total amount paid at the time of application at the rate of ₹ 35 /- per Rights Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through RWAP.
In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.
For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through the R-WAP*" on page 128.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.
To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Application Form from:
- R-WAP, the website of the Registrar https://rights.kfintech.com;
- our Company (www.asmltd.com);
- the Lead Manager (at www.saffronadvisor.com);
- the Stock Exchange (at www.bseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.asmltd.com);

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, I.E., BY WEDNESDAY, APRIL 06, 2022 SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNTIN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

General instructions for Investors

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you.

(c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(d) Application should be made only through the ASBA facility or using R-WAP.

(e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 131.

(g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or optional mechanism instituted only for resident Investors n this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP.

(h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(i) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filled on the R-WAP. Please

note that on the Issue Closing Date for (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange and (ii) the R-WAP facility will be available until 5.00 pm (India Standard Time) or such extended time as permitted by the Stock Exchange.

(k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors**. **Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.**

(n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using R-WAP facility, payment shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(t) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(u) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application

(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment.

(d) Ensure that you receive a confirmation email on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investor applying through R-WAP

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

(d) Do not apply from corporate account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) does not include the certifications set out in the Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds)

(a) Applications by non-resident Investors.

(b) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through the R-WAP*" on page 128.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed s, a public ffering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the

Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" on page 146.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 18.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, April 11, 2022, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "-*Basis of Allotment*" on page 142.

Please note that on the Issue Closing Date for (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending email withdrawal request to the Registrar in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Thursday, March 24, 2022
ISSUE OPENING DATE	Monday, March 28, 2022
LAST DATE FOR ON MARKET RENUNCIATION*	Wednesday, April 06, 2022
ISSUE CLOSING DATE#	Monday, April 11, 2022
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Tuesday, April 19, 2022
DATE OF ALLOTMENT (ON OR ABOUT)	Wednesday, April 20, 2022
DATE OF CREDIT (ON OR ABOUT)	Wednesday, April 20, 2022
DATE OF LISTING (ON OR ABOUT)	Monday, April 25, 2022

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide

their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, April 06, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see "*General Information - Issue Schedule*" on page 49 .

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account fromwhich Application Money was received. Therefore, the Investors should ensure that such bank accountsremain valid and active. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the RWAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORYACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCHINVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OFWHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWOWORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITYSHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE,OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated January 24, 2001 with NSDL and an agreement dated January 25, 2001 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI 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 an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will 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 warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any

independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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 ₹ 01 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 01 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.

3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the Rights Issue are for a purpose which is other than financing a capital expenditure for a project; and

2. Our Promoter and Promoter Group have confirmed *vide* their letter dated October 19, 2021, their intention to subscribe to their rights entitlement, and will not renounce rights except to the extent of renunciation within the promoter group.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "`ASM Technologies Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   KFin Technologies Private Limited
   Selenium Tower – B, Plot 31 & 32, Gachibowli, Financial District,
   Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana, India.
   Tel: +91 40 6716 2222/ /+91-40-7961 1000
   Email: asmltd.rights@kfintech.com
   Investor Grievance Email: einward.ris@kfintech.com

Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 1800 3094 001.

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

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, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, 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. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. 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 falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

SECTION VIII – 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 or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.asmltd.com from the date of this Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Issue Agreement dated October 28, 2021 entered into between our Company and the Lead Manager.

(ii) Registrar Agreement dated October 29, 2021 entered into amongst our Company and the Registrar to the Issue.

(iii) Escrow Agreement dated January 31, 2022 amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Certificate of incorporation dated August 10, 1992 issued by Registrar of Companies, Karanataka at Bangalore.

(iii) Fresh certificate of incorporation dated April 9, 2001 issued by Registrar of Companies, Karanataka at Bangalore consequent to the name of our Company being changed from Advanced Synergic Microsystems Limited to Advanced Technologies Limited.

(iv) Copy of Prospectus dated January 17, 1994.

(v) Resolution of the Board of Directors dated August 21, 2021 in relation to the Issue.

(vi) Resolution of Board of Directors dated January 14, 2022 approving and adopting the Draft Letter of Offer.

(vii) Resolution of Board of Directors dated February 15, 2022 approving and adopting this Letter of Offer.

(viii) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, Lead Manager, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Letter of Offer in their respective capacities.

(ix) Copies of Annual Reports of our Company for Fiscals 2021, 2020, 2019, 2018 and 2017

(x) Copy of quarterly unaudited (reviewed) consolidated financial statement, dated October 30, 2021 for the six months period ended September 30, 2021

(xi) The examination reports dated May 26, 2021, of the Statutory Auditor, on our Company's Audited Consolidated Financial Statements, included in this Letter of Offer.

(xii) Statement of Tax Benefits dated October 30, 2021 from the Statutory Auditor included in this Letter of Offer.

(xiii) Tripartite Agreement dated January 24, 2001 between our Company, NSDL and the Registrar to the Issue.

(xiv) Tripartite Agreement dated January 25, 2001 between our Company, CSDL and the Registrar to the Issue.

(xv) In principle approval dated January 14, 2022 issued by BSE.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Vikram Ravindra Mamidipudi
(Chairperson and Independent -Director)

Sd/-
Rabindra Srikantan
(Managing Director)

Sd/-
Muthuswami Lakshminarayan
(Independent Director)

Sd/-
Preeti Rabindra
(Non - Independent and Non – Executive Director)

Sd/-
Shekar Viswanathan
(Independent Director)

Sd/-
Ramesh Radhakrishnan
(Non - Independent and Non – Executive Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-
Narsingh Lashker Rathod

Date: February 15, 2022

Place: Bengaluru, Karnataka, India