**DRAFT RED HERRING PROSPECTUS**
Dated: November 11, 2021
*(This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
*Please read Section 32 of the Companies Act, 2013*
**100% Book Built Offer**

# DROOM TECHNOLOGY LIMITED

Our Company was incorporated as Droom Technology Private Limited on September 9, 2014, at New Delhi as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on August 16, 2021 and the name of our Company was changed to Droom Technology Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi ("**RoC**") on September 14, 2021. For details of change in name and Registered and Corporate Office of our Company, see "*History and Certain Corporate Matters*" on page 157.

**Registered Office**: 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi; **Telephone**: +91 11 4040 4501
**Corporate Office**: 77A, Building No.1, Iffco Road, Sector-18, Gurugram – 122 015, Haryana; **Telephone**: +91 124 4610 300
**Website**: www.droom.in; **Contact Person**: Anil Dwivedi, Company Secretary and Chief Compliance Officer; **E-mail**: companysecretary@droom.in
**Corporate Identity Number**: U72300DL2014PLC271386

**OUR PROMOTERS: SANDEEP AGGARWAL AND DROOM PTE. LTD.**

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF DROOM TECHNOLOGY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹20,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES ("OFFERED SHARES") BY DROOM PTE. LTD. ("PROMOTER SELLING SHAREHOLDER") AGGREGATING UP TO ₹10,000 MILLION ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES, INCLUDING BY WAY OF A PRIVATE PLACEMENT OR ANY OTHER METHODS AS MAY BE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW, FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 4,000 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). ANY AMOUNT RAISED PURSUANT TO SUCH A PRE-IPO PLACEMENT WILL BE REDUCED FROM THE AMOUNT OF THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE "SCRR").**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

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

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) ("**Net QIB Portion**") shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process and provide details of their respective bank accounts (including UPI ID in case of RIBs), in which the Bid Amount will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 318.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 1 each. The Floor Price, Cap Price and Offer Price (determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 89), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

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

**ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 366.

**BOOK RUNNING LEAD MANAGERS**

| | | |
|---|---|---|
| **ICICI Securities Limited**<br>ICICI Venture House<br>Appasaheb Marathe Marg<br>Prabhadevi<br>Mumbai – 400025<br>Maharashtra, India<br>Tel: + 91 22 6807 7100<br>E-mail: droom.ipo@icicisecurities.com<br>Investor grievance E-mail: customercare@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact person: Sameer Purohit/Sumit Singh<br>SEBI Registration No: INM000011179 | **Axis Capital Limited**<br>Axis House, 1st Floor<br>C-2 Wadia International Centre<br>Pandurang Budhkar Marg<br>Mumbai – 400025<br>Maharashtra, India<br>Tel: +91 22 4325 2183<br>E-mail: dtl.ipo@axiscap.in<br>Investor Grievance E-mail: complaints@axiscap.in<br>Website: www.axiscapital.co.in<br>Contact Person: Harish Patel<br>SEBI Registration No.: INM000012029 | **Edelweiss Financial Services Limited**<br>6th Floor, Edelweiss House<br>Off C.S.T Road<br>Kalina<br>Mumbai – 400098<br>Maharashtra, India<br>Tel: +91 22 4009 4400<br>E-mail: droom.ipo@edelweissfin.com<br>Investor Grievance E-mail: customerservice.mb@edelweissfin.com<br>Website: www.edelweissfin.com<br>Contact Person: Lokesh Shah<br>SEBI Registration No.: INM0000010650 |

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER |
|---|---|---|
| **HSBC Securities and Capital Markets (India) Private Limited**<br>52/60, Mahatma Gandhi Road<br>Fort<br>Mumbai – 400001<br>Maharashtra, India<br>Tel: +91 22 2268 5555<br>E-mail: droomipo@hsbc.co.in<br>Investor Grievance E-mail: investorgrievance@hsbc.co.in<br>Website: www.hsbc.co.in<br>Contact Person: Sanjana Maniar/Vinod Nagappan<br>SEBI Registration No.: INM000010353 | **Nomura Financial Advisory and Securities (India) Private Limited**<br>Ceejay House, Level 11<br>Plot F, Shivsagar Estate<br>Dr. Annie Basant Road, Worli<br>Mumbai – 400018<br>Maharashtra, India<br>Tel: +91 22 4037 4037<br>E-mail: droomipo@nomura.com<br>Investor Grievance E-mail: investorgrievances-in@nomura.com<br>Website:<br>www.nomuraholdings.com/company/group/asia/india/index.html<br>Contact Person: Vishal Kanjani<br>SEBI Registration No.: INM000011419 | **Kfin Technologies Private Limited**<br>Selenium, Tower B, Plot No - 31 and 32<br>Financial District, Nanakramguda, Serilingampally<br>Hyderabad, Rangareddi – 500032<br>Telangana, India<br>Tel: +91 40 6716 2222, 1800 309 4001<br>E-mail: droom.ipo@kfintech.com<br>Investor grievance e-mail: einward.ris@kfintech.com<br>Website: www.kfintech.com<br>Contact person: M Murali Krishna<br>SEBI registration number: INR000000221 |

**BID/OFFER PROGRAMME**

| | |
|---|---|
| **BID/OFFER OPENS ON: [●][(1)]** | **BID/OFFER CLOSES ON: [●][(2)]** |

*(1) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*(2) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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## SECTION I: GENERAL

## DEFINITIONS AND ABBREVIATIONS

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

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

*Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments", "Description of Equity Shares and Terms of Articles of Association" and "Offer Procedure" on pages 98, 152, 92, 193, 89, 157, 282, 292, 284, 334 and 318, respectively, shall have the meaning ascribed to them in the relevant section.*

### General Terms

| Term | Description |
|---|---|
| our Company, the Company, the Issuer | Droom Technology Limited having its registered office at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi |
| "we", "us" or "our" | Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries (as defined below) on a consolidated basis |

### Company Related Terms

| Term | Description |
|---|---|
| Articles of Association or AoA | Articles of association of our Company, as amended |
| Audit Committee | The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management*" on page 166 |
| Auditors or Statutory Auditors | B S R & Co. LLP, Chartered Accountants, current statutory auditors of our Company. |
| Board or Board of Directors | Board of directors of our Company, as appointed from time to time |
| CEO | Chief Executive Officer of our Company, Sandeep Aggarwal, as described in "*Our Management*" on page 166 |
| CFO | Chief Financial Officer of our Company, Varun Sethi, as described in "*Our Management*" on page 166 |
| Chairman | Chairman of the Board, Sandeep Aggarwal, as described in "*Our Management*" on page 166 |
| Chief Compliance Officer | Chief Compliance officer of our Company namely Anil Dwivedi, as described in "*Our Management*" on page 166 |
| Corporate Office | Corporate office of our Company located at 77A, Building No.1, Iffco Road, Sector-18, Gurugram – 122 015, Haryana |
| Corporate Social Responsibility Committee | The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management*" on page 166 |
| Company Secretary or CS | Company secretary of our Company namely Anil Dwivedi, as described in "*Our Management*" on page 166 |
| DDSPL | Droom Data Science Private Limited |
| DFTPL | Droom Finance Tech Private Limited |
| DTLPL | Droom Tech Logistic Private Limited |
| Director(s) | The directors on the Board of our Company, as described in "*Our Management*" on page 166 |
| Droom International | Droom International Pte Ltd |
| Droom Malaysia | Droom Malaysia Sdn Bhd |
| Droom Singapore | Droom Data Science (Singapore) Pte. Limited |
| Droom Thailand | Droom (Thailand) Limited |
| Droom USA | Droom Labs Inc (USA) |
| Equity Shares | Equity shares of our Company of face value of ₹ 1 each |
| ESOP Scheme | Droom Employees Stock Option Scheme 2021 |
| Executive Directors | Executive Directors of our Company, as described in "*Our Management*" on page 166 |

| Term | Description |
|---|---|
| Grant Thornton | Grant Thornton Bharat LLP |
| GT Report | Report titled "*Auto E-commerce Market*" dated November, 2021, exclusively prepared and issued by Grant Thornton who were appointed on August 27, 2021, and commissioned by and paid for by our Company. |
| Group Companies | Our Group Companies are Droom Tech Insurance Broking Private Limited, Pt. Droom Technology Indonesia and Droom Labs Inc. For details, see "*Our Group Companies*" on page 189 |
| Independent Directors | Independent Directors on the Board, as disclosed in "*Our Management*" on page 166 |
| IPO Committee | The IPO committee of our Company as described in "*Our Management*" on page 166 |
| Key Managerial Personnel or KMP | Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "*Our Management*" on page 166 |
| Material Subsidiary | Xeraphin Finvest Private Limited |
| Memorandum of Association or MoA | Memorandum of association of our Company, as amended |
| Nomination and Remuneration Committee | Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management*" on page 166 |
| Non-Executive Director | A Director not being an Executive Director, as described in "*Our Management*" on page 166 |
| Promoters | Our Promoters, namely, Sandeep Aggarwal and Droom Pte. Ltd. |
| Promoter Group | Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 184 |
| Registered Office | Registered office of our Company located at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi |
| "Registrar of Companies" or "RoC" | Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi |
| "Restated Consolidated Financial Information" or "Restated Financial Statements" | The restated consolidated financial information of our Company, its subsidiaries and associate comprising of the restated consolidated balance sheet for Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and three months ended June 30, 2021, the restated consolidated statement of profits and loss, the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and three months ended June 30, 2021, notes to the restated consolidated financial information and statement of adjustments to audited consolidated financial statements, each derived from the audited consolidated financial statements of our Company, its subsidiaries and associate as at and for Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and as at and for the three months ended June 30, 2021, each prepared in accordance with Ind AS, and restated in accordance with the requirements of the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI |
| Risk Management Committee | The risk management committee of our Board, constituted in accordance with the applicable provisions of the SEBI Listing Regulations as described in "*Our Management*" on page 166 |
| Promoter Selling Shareholder | Droom Pte. Ltd. |
| Shareholders | Shareholders of our Company |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management*" on page 166 |
| Subsidiaries or individually known as Subsidiary | Subsidiaries of our Company, namely, DTLPL, DFTPL, DDSPL, Droom International, Droom Singapore, Droom Thailand, Droom Malaysia and XFPL. |
| XFPL | Xeraphin Finvest Private Limited |

### Offer Related Terms

| Term | Description |
|---|---|
| Acknowledgement Slip | The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| "Allot" or "Allotment" or "Allotted" | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders |
| Allotment Advice | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million |
| Anchor Investor Allocation Price | Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs. |

| Term | Description |
|---|---|
| Anchor Investor Application Form | Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bid/Offer Period | One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted prior to and after which the BRLMs will not accept any Bids from Anchor Investor and allocation to Anchor Investors shall be completed |
| Anchor Investor Offer Price | Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price.<br><br>The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.<br><br>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. |
| "Application Supported by Blocked Amount" or "ASBA" | Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism |
| ASBA Account | Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Bidders | All Bidders except Anchor Investors |
| ASBA Form | Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Axis Capital | Axis Capital Limited |
| Bankers to the Offer | Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be |
| Basis of Allotment | Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" beginning on page 315 |
| Bid | Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. |
| Bid cum Application Form | Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Bid/ Offer Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.<br><br>Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations |
| Bid/ Offer Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation. |

| Term | Description |
|---|---|
| Bid/ Offer Period | Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof |
| Bidder/Applicant/Investor | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process | Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| "Book Running Lead Managers" or "BRLMs" | The book running lead managers to the Offer, namely, ICICI Securities Limited, Axis Capital Limited, Edelweiss Financial Services Limited, HSBC Securities and Capital Markets (India) Private Limited and Nomura Financial Advisory and Securities (India) Private Limited |
| Broker Centres | Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| "CAN" or "Confirmation of Allocation Note" | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period |
| Cap Price | Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted |
| Cash Escrow and Sponsor Bank Agreement | Agreement to be entered amongst our Company, the Promoter Selling Shareholder, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof |
| Client ID | Client identification number maintained with one of the Depositories in relation to demat account |
| "Collecting Depository Participant" or "CDP" | A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time |
| Cut-off Price | Offer Price, finalised by our Company and Promoter Selling Shareholder in consultation with the BRLMs, which shall be any price within the Price Band.<br>Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Demographic Details | Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms.<br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time |
| Designated Date | The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer |
| Designated Intermediary(ies) | In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | [●] |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at 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 |

| Term | Description |
|---|---|
| "Draft Red Herring Prospectus" or "DRHP" | This draft red herring prospectus dated November 11, 2021, filed with SEBI, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto |
| Edelweiss Financial | Edelweiss Financial Services Limited |
| Eligible FPI(s) | FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices. |
| Eligible NRI(s) | NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares |
| Escrow Account | Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid |
| Escrow Collection Bank(s) | Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●] |
| First or sole Bidder | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | Lower end of the Price Band, i.e. ₹ [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted |
| Fresh Issue | Fresh issue of up to [●] Equity Shares aggregating up to ₹ 20,000 million by our Company |
| "GID" or "General Information Document" | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| Gross Proceeds | The gross proceeds of the Fresh Issue that will be available to our Company |
| HSBC Securities | HSBC Securities and Capital Markets (India) Private Limited |
| ICICI Securities | ICICI Securities Limited |
| KFin Technologies | KFin Technologies Private Limited |
| Maximum RIB Allottees | Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price |
| Materiality Policy | Policy for identification of group companies, material outstanding civil litigations proceedings of our Company, our Promoters and our Directors and material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated October 22, 2021 |
| Minimum Promoter's Contribution | Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company that are eligible to form part of the minimum promoter's contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter that shall be locked-in for a period of eighteen months from the date of Allotment |
| Monitoring Agency | [●] |
| Monitoring Agency Agreement | Agreement to be entered into between our Company and the Monitoring Agency |
| Mutual Fund Portion | 5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 80 |
| Net QIB Portion | The QIB Portion less the number of Equity Shares allocated to the Anchor Investors |
| Nomura Financial | Nomura Financial Advisory and Securities (India) Private Limited |
| Non-Institutional Bidders | All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs) |
| Non-Institutional Portion | Portion of the Offer being not more than 15% of the Offer which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price |
| Non-Resident | A person resident outside India, as defined under FEMA |
| "Non-Resident Indians" or "NRI(s)" | A non-resident Indian as defined under the FEMA |
| Offer | The initial public offer of up to [●] Equity Shares of face value of ₹1 each for cash at a price of ₹ [●] each (including a share premium of ₹[●] per Equity Share), aggregating up to ₹[●] million, comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹20,000 million and an Offer for Sale of up to [●] Equity Shares by the Promoter Selling Shareholder aggregating up to ₹10,000 million.<br><br>Our Company may, in consultation with the BRLMs, consider a further issue of Equity Shares, including by way of a private placement or any other methods as may be permitted in accordance with applicable law, for cash consideration aggregating up to ₹4,000 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced |

| Term | Description |
|---|---|
| | to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR |
| Offer Agreement | Agreement dated November 11, 2021 entered amongst our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements have been agreed to in relation to the Offer |
| Offer for Sale | The offer for sale of up to [●] Equity Shares by the Promoter Selling Shareholder aggregating up to ₹ 10,000 million |
| Offer Price | The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus.<br><br>The Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus |
| Offer Proceeds | Collectively, the proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 80 |
| Offered Shares | Up to [●] Equity Shares aggregating up to ₹ 10,000 million being offered for sale by the Promoter Selling Shareholder in the Offer for Sale |
| Price Band | Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof.<br><br>The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites |
| Pricing Date | Date on which our Company and the Promoter Selling Shareholder in consultation with the BRLMs will finalise the Offer Price |
| Prospectus | Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account | Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date |
| Public Offer Account Bank(s) | A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●] |
| QIB Portion | The portion of the Offer (including Anchor Investor Potion) being not less than 75% of the Offer which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable |
| "Qualified Institutional Buyers" or "QIBs" or "QIB Bidders" | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| "Red Herring Prospectus" or "RHP" | Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account(s) | Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made |
| Refund Bank(s) | Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●] |
| Registered Brokers | Stock-brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI |
| Registrar Agreement | Agreement dated November 9, 2021 entered amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer |
| "Registrar and Share Transfer Agents" or "RTAs" | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars |
| "Registrar to the Offer" or "Registrar" | Kfin Technologies Private Limited |
| Resident Indian | A person resident in India, as defined under FEMA. |

| Term | Description |
|---|---|
| "Retail Individual Bidder(s)" or "RIB(s)" or "RII(s)" or "Retail Individual Investor(s)" | Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs) |
| Retail Portion | Portion of the Offer being not more than 10% of the Offer which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.<br><br>QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date |
| Self-Certified Syndicate Bank(s) or SCSB(s) | The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time.<br><br>Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time. |
| Share Escrow Agent | Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●] |
| Share Escrow Agreement | Agreement to be entered amongst our Company, the Promoter Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees |
| Specified Locations | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders |
| Sponsor Bank | [●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars |
| "Syndicate" or "Members of the Syndicate" | Together, the BRLMs and the Syndicate Members |
| Syndicate Agreement | Agreement to be entered amongst our Company, the Promoter Selling Shareholder, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate |
| Syndicate Members | Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●] |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |
| Underwriters | [●] |
| Underwriting Agreement | Agreement to be entered amongst our Company and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC |
| UPI | Unified payments interface which is an instant payment mechanism, developed by NPCI |
| UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard |
| UPI ID | ID created on the UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request | A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment |

| Term | Description |
|---|---|
| | In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time |
| UPI Mechanism | The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer |
| UPI PIN | ID created on the UPI for single window clearance mobile payment system developed by the NPCI |
| Wilful Defaulter | A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such |
| Working Day | All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI |

### Technical/Industry and Business-Related Terms/Abbreviations

| Term | Description |
|---|---|
| AI | Artificial intelligence |
| API | Application programming interface |
| AR | Augmented reality |
| Conversion | Conversion is defined as total Orders booked per visitor on the website |
| GMV or Gross Merchandise Value | Defined as total value of vehicles and services sold on our platform |
| Gross Contribution | Defined as Take Rate multiplied by GMV |
| IoT | Internet of Things |
| LTD | Lifetime-to-date |
| ML | Machine learning |
| NBFC | Non-banking finance company |
| OBV | Orange Book Value |
| OEM | Original equipment manufacturer |
| OES | Original equipment seller |
| Order | Any transaction done on our platform |
| Take Rate | Defined as a the blended average service fee charged by us as a percentage of total Order value |
| Used Vehicle Listed Value | Defined as a sum of selling price of all the current active used vehicle listings |
| VR | Virtual reality |

### Conventional and General Terms or Abbreviations

| Term | Description |
|---|---|
| ₹/Rs./Rupees/INR | Indian Rupees |
| AIFs | Alternative Investments Funds |
| BSE | BSE Limited |
| CAGR | Compound Annual Growth Rate |
| Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| Category III AIF | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| Category I FPIs | FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations |
| Category II FPIs | FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations |
| CCI | Competition Commission of India |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Civil Code or CPC | The Code of Civil Procedure, 1908 |
| Companies Act | Companies Act, 1956 and Companies Act, 2013, as applicable |

| Term | Description |
|---|---|
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder |
| Companies Act, 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder |
| Competition Act | Competition Act, 2002 |
| Depositories | Together, NSDL and CDSL |
| Depositories Act | Depositories Act, 1996 |
| DIN | Director Identification Number |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*) |
| DP ID | Depository Participant Identification |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act |
| EBITDA | Earnings before interest, taxes, depreciation and amortisation |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share |
| FCPA | Foreign Corrupt Practices Act, 1977 |
| FDI | Foreign direct investment |
| FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020 |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Non-debt Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year/ Fiscal/ FY | Unless stated otherwise, the period of 12 months ending March 31 of that particular year |
| FPI(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| FVCI(s) | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations |
| Gazette | Gazette of India |
| “GoI” or “Government” or “Central Government” | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| IFSC | Indian Financial System Code |
| Ind AS/ Indian Accounting Standards | Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 |
| India | Republic of India |
| Indian GAAP | Accounting standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 (as amended) and the Companies (Accounts) Rules, 2014, as amended |
| IPC | Indian Penal Code, 1860 |
| IPO | Initial public offering |
| IST | Indian Standard Time |
| IT | Information Technology |
| IT Act | The Income Tax Act, 1961 |
| MCA | Ministry of Corporate Affairs |
| “Mn” or “mn” | Million |
| Mutual Fund (s) | Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996 |
| N/A or NA or N.A. | Not applicable |
| NACH | National Automated Clearing House |
| NEFT | National Electronic Funds Transfer |
| NPCI | National Payments Corporation of India |
| NRI | Individual resident outside India, who is a citizen of India |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer |
| p.a. | Per annum |
| P/E | Price/earnings |

| Term | Description |
|---|---|
| P/E Ratio | Price/earnings ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| R&D | Research and development |
| RBI | The Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934. |
| Regulation S | Regulation S under the U.S. Securities Act |
| RTGS | Real Time Gross Settlement |
| Rule 144A | Rule 144A under the U.S. Securities Act |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations |
| State Government | The Government of a State in India |
| Stock Exchanges | Together, BSE and NSE |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Total Borrowings | Non-current borrowings including current maturities of non-current borrowings |
| UIDAI | Unique Identification Authority of India |
| U.S. GAAP | Generally Accepted Accounting Principles in the United State of America |
| U.S./USA/United States | United States of America, its territories and possessions, any State of the United States, and the District of Columbia |
| USD/US$ | United States Dollars |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| VCFs | Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations |

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

### Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession 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.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

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

### Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Financial Information*" beginning on page 193.

Our Restated Consolidated Financial Information are prepared by the Company in accordance with IndAS and restated in accordance with relevant provisions of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 22, 123 and 252, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition"* on page 53. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Certain non-GAAP financial measures relating to our financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

**Currency and Units of Presentation**

In this Draft Red Herring Prospectus, all references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" or "U.S. Dollar" are to United States Dollar, the official currency of the United States of America.
- "THB" are to Thai Baht, the official currency of the Kingdom of Thailand; and
- "RM" or "MYR" are to Malaysian Ringgit, the official currency of Malaysia.

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

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

**Exchange Rates**

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

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

(*in ₹*)

| Currency | As at | | | |
|---|---|---|---|---|
| | June 30, 2021 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| 1 USD | 74.34 | 73.50 | 75.39 | 69.17* |
| 1 THB | 2.31 | 2.34 | 2.30 | 2.18* |
| 1 RM | 17.87 | 17.66 | 17.32 | 16.95* |

*Source: RBI reference rate and www.fbil.org.in for USD and www.finance.yahoo.com for THB and RM.*
**Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday*

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the report titled "*Auto E-commerce Market*" dated November, 2021 ("**GT Report**"), exclusively prepared and issued by Grant Thornton who were appointed on August 27, 2021, and commissioned by and paid for by our Company and the GT Report is are available on our website at droom.in/ir. For risks in relation to commissioned reports, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate"* on page 44.

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

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 22.

**Notice to Prospective Investors in the United States**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

## FORWARD-LOOKING STATEMENTS

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

- Adverse effect of the COVID-19 pandemic on our business, financial condition and results of operations;
- Inability to provide a compelling vehicle search and ensure a positive customer experience;
- Our dependence on our proprietary technology for critical functions of our business and our failure to properly maintain or promptly upgrade our technology;
- Any incident of cyber security breach or other security incident or unauthorised parties otherwise obtaining access to our users' data or our data, because of which our platform and products may be perceived as not being secure;
- Our business being subject to risks related to India's used and new automobile and vehicular services e-commerce industry, including industry-wide and macroeconomic risks;
- Dependence upon auto dealers willing to transact on our platform;
- Our CEO and Promoter, Sandeep Aggarwal being enjoined from future violation of certain United States securities laws and subject to an administrative order by the U.S. Securities and Exchange Commission, as a consequence of past charges of insider trading levelled against him, and his failure to comply with such order;
- Adverse impact of the outstanding litigation proceedings involving our Company, Directors, Promoters and Subsidiaries on our reputation, business, financial condition, results of operations and cash flows;
- Actions of third-party service providers;
- The Net Proceeds being insufficient for the cost of our proposed inorganic acquisitions; and
- Failure to deploy the Net Proceeds towards inorganic growth initiatives within the periods intended

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 98, 123 and 252, respectively, of this Draft Red Herring Prospectus have been obtained from the GT Report.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 22, 123 and 252, respectively. By their nature, certain market risk disclosures are only estimates, and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

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

## OFFER DOCUMENT SUMMARY

*The following is a general summary of the terms of the Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Financial Statements", "Outstanding Litigation and Material Developments" ,"Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 22, 80, 123, 98, 70, 56, 193, 284, 318 and 334, respectively of this Draft Red Herring Prospectus.*

<table>
<tr><td>Summary of the primary business of the Company</td><td>We are a technology and data science company that facilitates automobile buying and selling online through a combination of our asset-light automobile e-commerce platform along with a technology-driven vertically integrated proprietary ecosystem of products and services for the automobile industry. Our automobile e-commerce platform, which includes our website and mobile apps, offers users convenience and a curated experience to buy and sell new and used vehicles and encompasses every element of automobile buying from searching for a vehicle, creating buying requirements, price discovery, booking, certification to purchase and financing and doorstep delivery.</td></tr>
<tr><td>Summary of the Industry</td><td>The entire vehicle purchasing journey is undergoing digital transformation and online platforms play an important role across the value chain by connecting different stakeholders across the stages of the transaction. The Indian auto e-commerce market is estimated at ₹ 207 billion in Fiscal 2020. This is expected to grow at a CAGR of 48.3% over the next five years to reach ₹ 2,200 billion in Fiscal 2026. The Indian online used vehicle market was valued at ₹ 154 billion in Fiscal 2020 and is projected to reach ₹ 1,994 billion by Fiscal 2026, registering a CAGR of 53.2%. (Source: GT Report)</td></tr>
<tr><td>Name of Promoters</td><td>Sandeep Aggarwal and Droom Pte. Ltd.</td></tr>
<tr><td>Offer size</td><td>The following table summarizes the details of the Offer size:
<table>
<tr><td>Offer[(#)]</td><td>Up to [●] Equity Shares aggregating up to ₹ [●] million</td></tr>
<tr><td colspan="2">of which:</td></tr>
<tr><td>Fresh Issue[(1)]</td><td>Up to [●] Equity Shares aggregating up to ₹ 20,000 million</td></tr>
<tr><td>Offer for Sale[(2)]</td><td>Up to [●] Equity Shares aggregating up to ₹ 10,000 million</td></tr>
</table>
[(#)]Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of an amount aggregating up to ₹ 4,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and must be completed prior to filing of the Red Herring Prospectus with the RoC. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws.<br>
[(1)]The Offer has been authorised by our Board pursuant to resolution passed on October 16, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a resolution passed on October 17, 2021.<br>
[(2)] The Promoter Selling Shareholder has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Promoter Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 292.<br><br>
The above table summarises the details of the Offer. For further details, see "Offer Structure" and "The Offer" beginning on pages 315 and 56.</td></tr>
<tr><td>Objects of the Offer</td><td>The objects for which the Net Proceeds shall be utilised are as follows:
<table>
<tr><th>Particulars</th><th>Amount^<br>(in ₹ million)</th></tr>
<tr><td>Funding organic growth initiatives</td><td>11,500</td></tr>
<tr><td>Funding inorganic growth initiatives</td><td>4,000</td></tr>
<tr><td>General corporate purposes [(1)]</td><td>[●]</td></tr>
<tr><td>Net Proceeds</td><td>[●]</td></tr>
</table>
[(1)] To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.<br>
^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.<br><br>
Our Company has currently not finalised the specific activities that will be funded by the Net Proceeds towards organic growth. The organic growth initiatives for which the Net Proceeds will be deployed will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, regulatory conditions as well as general factors affecting our results of operations, financial condition and access to capital. Further, our Company has also not identified or entered into any agreements with any potential acquisition targets towards which the Net Proceeds will be deployed towards inorganic growth initiatives. The deployment of the Net Proceeds towards acquisitions will depend on various factors, including the timing, nature, size and number of acquisitions undertaken and the customer base, tech capabilities, geographic markets, suite of products/ service offerings and business synergies of potential targets with our existing businesses. See "Risk Factors – Our funding requirements</td></tr>
</table>

| | |
|---|---|
| | *and the proposed deployment of Net Proceeds have not been appraised by any independent agency and our management will have broad discretion over the use of the Net Proceeds*" on page 29.<br><br>For further details see "*Objects of the Offer*" on page 80. |
| **Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Promoter Selling Shareholder as a percentage of our paid-up Equity Share capital** | (a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below: |

| Name | No. of Equity Shares | Percentage of the pre-Offer paid-up Equity Share Capital (%) |
|---|---|---|
| **Promoters** | | |
| Sandeep Aggarwal | Nil* | Nil |
| Droom Pte. Ltd. | 191,302,260** | 100.00 |
| **Total (A)** | **191,302,260** | **100.00** |
| **Promoter Group** | | |
| **Total (B)** | Nil | Nil |
| **Total (C=A+B)** | **191,302,260** | **100.00** |

** One Equity Share is held by Sandeep Aggarwal on behalf of and as nominee of Droom Pte. Ltd.*
*** Including six Equity Shares, of which one Equity Share each is held by Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd.*

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

| Name | No. of Equity Shares | Percentage of the pre-Offer Equity Share Capital (%) |
|---|---|---|
| **Promoter Selling Shareholder** | | |
| Droom Pte. Ltd. | 191,302,260* | 100.00 |
| **Total (D)** | **191,302,260** | **100.00** |

*** Including six Equity Shares, of which one Equity Share each is held by Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd.*

**Summary of Selected Financial Information**

The summary of selected financial information of the Company as per the Restated Consolidated Financial Statement is provided below:

*(₹ in million, except per share data)*

| Particulars | As at and for three months ended June 30, 2021 | As at and for the Fiscal ended | | |
|---|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| (A) Share capital* | 13.49 | 11.03 | 11.03 | 8.68 |
| (B) Net worth, as restated** | 803.90 | 189.18 | 592.64 | 741.05 |
| (C) Total income | 810.51 | 1,355.23 | 1,813.68 | 1,461.11 |
| (D) Loss after tax quarter\year | (325.85) | (688.83) | (896.03) | (1,053.70) |
| (E) Earnings per Equity Share (basic) (in ₹)****** | (2.42) **** | (5.21) | (7.04) | (10.12) |
| (F) Earnings per Equity Share (diluted) (in ₹)******* | (2.42)**** | (5.21) | (7.04) | (10.12) |
| (G) Net asset value per Equity Share (in ₹)***** | 4.97 | 1.43 | 4.48 | 7.11 |
| (H) Total borrowing (as per the balance sheet)*** | 301.79 | 518.49 | 315.59 | 6.21 |

** Share capital means the aggregate value of the equity share capital.*
*** Net worth means the total equity or total share capital of our Company and other equity as per the Restated Financial Information.*
**** Total borrowings means the aggregate value of current borrowings and non-current borrowings (including current maturities of term loan).*
*****Not annualized*
****** Calculated as Net Worth at the end of period divided by total number of Equity Shares outstanding during the period. For the period presented, number of equity shares has been adjusted for the impact of stock spilt and bonus issue after the end of the period but before the date of filling of the DRHP.*
******* Basic earnings per share: profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period. Basic EPS is computed in accordance with Ind AS 33 – Earnings per share, after considering the impact of stock spilt and bonus issue after the end of year/period but before the date of filling of the DRHP.*
******** Diluted earnings per share: profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of potential equity shares outstanding at the end of the year/period. Diluted*

| | |
|---|---|
| | *EPS are computed in accordance with Ind AS 33 – Earnings per share, after considering the impact of stock spilt and bonus issue after the end of year/period but before the date of filling of the DRHP.*<br><br>For details, see "*Financial Information*" on page 193 |
| **Auditor's qualifications which have not been given effect to in the Financial Information** | The Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Consolidated Financial Statements. |
| **Summary table of outstanding litigations** | A summary of outstanding litigation proceedings involving our Company, Directors and Promoters as on the date of this Draft Red Herring Prospectus is provided below: |

| Types of proceedings | Number of cases | Total amount involved* (₹ in million) |
|---|---|---|
| **Litigation involving our Company** | | |
| ***Against our Company*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | Nil | Nil |
| *Taxation cases* | Nil | Nil |
| ***By our Company*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | 81 | 31.68 |
| ***Total*** | **81** | **31.68** |
| **Litigation involving our Directors other than our Promoter** | | |
| ***Against our Directors*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | 1 | N.A. |
| *Taxation cases* | Nil | Nil |
| ***By our Directors*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| ***Total*** | **1** | **Nil** |
| **Litigation involving our Promoters** | | |
| ***Against our Promoters*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | Nil | Nil |
| *Disciplinary action taken against our Promoter in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange.* | Nil | Nil |
| *Taxation cases* | Nil | Nil |
| ***By our Promoters*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| ***Total*** | **Nil** | **Nil** |
| **Litigation involving our Subsidiaries** | | |
| ***Against our Subsidiaries*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | Nil | Nil |
| *Taxation cases* | Nil | Nil |
| ***By our Subsidiaries*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | 2 | 2.50 |
| ***Total*** | **2** | **2.50** |

* *To the extent ascertainable*.

<table>
<tr><td></td><td>Our Group Companies are not party to any pending litigation which will have a material impact on our Company.<br><br>For further details of the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” beginning on page 284.</td></tr>
<tr><td>Risk Factors</td><td>For details of the risks applicable to us, please see “Risk Factors” on page 22.</td></tr>
<tr><td>Summary table of contingent liabilities</td><td>Our Company does not have any contingent liabilities as at June 30, 2021.</td></tr>
<tr><td>Summary of related party transactions</td><td>The summary of related party transactions of our Company for the three months ended June 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, are set forth in the table below:<br>(₹ in million)
<table>
<tr><th>Nature of transaction</th><th>Related parties with whom transactions have taken place</th><th>As at and for three months ended June 30, 2021</th><th>As at and for the Fiscal ended March 31, 2021</th><th>As at and for the Fiscal ended March 31, 2020</th><th>As at and for the Fiscal ended March 31, 2019</th></tr>
<tr><td>Sale of services</td><td>Droom Pte. Ltd.</td><td>17.91</td><td>61.91</td><td>175.20</td><td>320.61</td></tr>
<tr><td>Expenses incurred by the Company on behalf of group company</td><td>Droom Labs Inc.</td><td>0.07</td><td>0.39</td><td>0.44</td><td>0.67</td></tr>
<tr><td>Expenses incurred by the Company on behalf of group company</td><td>Droom Pte. Ltd.</td><td>-</td><td>-</td><td>-</td><td>0.34</td></tr>
<tr><td>Expenses incurred by the Company on behalf of group company</td><td>Droom Tech Insurance Broking Private Limited</td><td>-</td><td>0.11</td><td>0.03</td><td>0.31</td></tr>
<tr><td>Expenses incurred by the Company on behalf of group company</td><td>Droom Thailand Ltd</td><td>-</td><td>0.05</td><td>-</td><td>-</td></tr>
<tr><td>Expenses incurred by the Company on behalf of group company</td><td>Pt. Droom Technology Indonesia</td><td>-</td><td>0.88</td><td>-</td><td>-</td></tr>
<tr><td>Investment in associates</td><td>Droom Tech Insurance Broking Private Limited</td><td>-</td><td>-</td><td>3.19</td><td>0.49</td></tr>
<tr><td>Interest on loan</td><td>Sandeep Aggarwal</td><td>-</td><td>-</td><td>0.04</td><td>1.35</td></tr>
<tr><td>Issuance of share capital (including securities premium)</td><td>Droom Pte. Ltd.</td><td>744.70</td><td>-</td><td>695.40</td><td>812.16</td></tr>
<tr><td>Reimbursement of expenses</td><td>Amarpreet Singh</td><td>-</td><td>0.04</td><td>0.18</td><td>0.03</td></tr>
<tr><td>Reimbursement of expenses</td><td>Puneet Bhaskar</td><td>-</td><td>-</td><td>0.62</td><td>0.11</td></tr>
<tr><td>Reimbursement of expenses</td><td>Ramutar Goel</td><td>-</td><td>-</td><td>-</td><td>0.33</td></tr>
<tr><td>Reimbursement of expenses</td><td>Rishab Malik</td><td>-</td><td>-</td><td>-</td><td>0.88</td></tr>
<tr><td>Reimbursement of expenses</td><td>Sandeep Aggarwal</td><td>0.26</td><td>7.94</td><td>7.30</td><td>7.09</td></tr>
<tr><td>Salary</td><td>Amarpreet Singh</td><td>1.09</td><td>3.25</td><td>3.37</td><td>3.33</td></tr>
<tr><td>Salary</td><td>Puneet Bhaskar</td><td>-</td><td>-</td><td>6.90</td><td>7.33</td></tr>
<tr><td>Salary</td><td>Ramutar Goel</td><td>-</td><td>-</td><td>-</td><td>5.73</td></tr>
<tr><td>Salary</td><td>Rishab Malik</td><td>-</td><td>-</td><td>-</td><td>9.55</td></tr>
<tr><td>Salary</td><td>Sandeep Aggarwal</td><td>-</td><td>-</td><td>3.72</td><td>8.46</td></tr>
</table>
</td></tr>
</table>

| | | | | | |
|---|---|---|---|---|---|
| Expenses incurred by the Company on behalf of group company | Droom Tech Logistic Private Limited | - | 1.18 | 2.00 | 4.79 |
| Other expenses– - one time store branding | Droom Tech Logistic Private Limited | - | 0.80 | - | - |
| Revenue from operations– - Sale of services | Droom Tech Logistic Private Limited | - | 3.07 | 1.50 | - |
| Other income - Interest income | Droom Tech Logistic Private Limited | 0.69 | 2.29 | - | - |
| Security deposits received | Droom Tech Logistic Private Limited | - | - | 3.00 | - |
| Expenses incurred by the Company on behalf of group company | Droom Finance Tech Private Limited | - | 0.37 | 0.15 | 0.31 |
| Other income | Droom Finance Tech Private Limited | - | 0.08 | 0.21 | - |
| Profit on liquidation of the group company | Droom Finance Tech Private Limited | - | 1.42 | - | - |
| Amount received | Droom Finance Tech Private Limited | - | 25.52 | - | - |
| Other income - Miscellaneous income | Xeraphin Finvest Private Limited | 1.19 | 5.46 | 0.01 | - |
| Other income - Interest income | Xeraphin Finvest Private Limited | 1.02 | 8.80 | 0.04 | - |
| Marketing and promotion expenses | Xeraphin Finvest Private Limited | 2.08 | 3.79 | 0.17 | - |
| Loan given | Xeraphin Finvest Private Limited | 843.45 | 1,530.31 | 49.32 | - |
| Loan received back | Xeraphin Finvest Private Limited | 723.30 | 1,281.39 | 61.78 | - |
| Expenses incurred by the Company on behalf of group company | Xeraphin Finvest Private Limited | 0.81 | 0.68 | - | - |

For details of the related party transactions, see "*Related Party Transactions*" on page 191.

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

<table>
<tr><td>by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus</td><td></td></tr>
<tr><td>Weighted average price at which the Equity Shares were acquired by our Promoters and Promoter Selling Shareholder, in the last one year preceding the date of this Draft Red Herring Prospectus</td><td>The weighted average price at which the Equity Shares were acquired by our Promoters and Promoter Selling Shareholder in the last one year is as follows:<br><br>
<table>
<tr><th>Name of the Promoter</th><th>Number of Equity Shares</th><th>Weighted average price per Equity Share^ (in ₹)</th></tr>
<tr><td>Sandeep Aggarwal</td><td>Nil</td><td>N.A.</td></tr>
<tr><td>Droom Pte. Ltd.**</td><td>180,276,170</td><td>8.26</td></tr>
</table>
^ As certified by MGB & Co LLP, Chartered Accountants pursuant to their certificate dated November 11, 2021.<br>
** Also the Promoter Selling Shareholder.<br>
(1) Number of share held and weighted average cost is arrived at after considering split of share from ₹10 to ₹1 and bonus shares issued.<br>
(2) All the shares are fully paid-up.<br>
(3) For calculation, bonus shares issued on Equity Shares issued one year prior to DRHP date have been considered.<br>
(4) Share acquired includes 110 bonus shares issued each to Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd..</td></tr>
<tr><td>Size of the pre-IPO placement and allottees, upon completion of the placement</td><td>Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of an amount aggregating up to ₹ 4,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and must be completed prior to filing of the Red Herring Prospectus with the RoC. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws</td></tr>
<tr><td>Average cost of acquisition of shares of our Promoters and the Promoter Selling Shareholder</td><td>The average cost of acquisition of Equity Shares held by our Promoters and Promoter Selling Shareholder is as follows:<br><br>
<table>
<tr><th>Name of the Promoter</th><th>Number of Equity Shares</th><th>Average cost of acquisition per Equity Share^ (in ₹)</th></tr>
<tr><td>Sandeep Aggarwal</td><td>Nil*</td><td>N.A.</td></tr>
<tr><td>Droom Pte. Ltd.**</td><td>191,302,260#</td><td>27.45@</td></tr>
</table>
^ As certified by MGB & Co LLP, Chartered Accountants pursuant to their certificate dated November 11, 2021.<br>
* One Equity Share is held by Sandeep Aggarwal on behalf of and as nominee of Droom Pte. Ltd.<br>
** Also the Promoter Selling Shareholder.<br>
# Including six Equity Shares, of which one Equity Share each is held by Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd.<br>
@ Average cost is calculated after considering split of face value of shares and bonus shares issued.</td></tr>
<tr><td>Any issuance of Equity Shares in the last one year for consideration other than cash</td><td>Except the bonus issue of the Equity Shares dated October 22, 2021 to Droom Pte. Ltd. in the ratio of 11 Equity Shares for every one Equity Share held, our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.</td></tr>
<tr><td>Any split/consolidation of Equity Shares in the last one year</td><td>Other than the split of face value of the equity shares of our Company from ₹10 to ₹1 pursuant to the approval of our Shareholders by way of its resolution dated October 5, 2021 pursuant to which 1,544,566 equity shares of ₹10 each were split into 15,445,660 Equity Shares of ₹ 1 each, our Company has not undertaken any split or consolidation of its Equity Shares in one year preceding the date of this Draft Red Herring Prospectus.<br><br>For details of the related party transactions, see "Equity Share Capital history of our Company - Capital Structure" on page 70.</td></tr>
</table>

## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 123, 98, 252 and 193, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. To the extent that the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Auto E-commerce Market" dated November, 2021 (the "GT Report"), exclusively prepared and issued by Grant Thornton Bharat LLP who were appointed on August 27, 2021, and commissioned by and paid for by us. The data included herein includes excerpts from the GT Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. A copy of the GT Report is available on website of our Company at droom.in/ir. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 44. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 11.*

### Internal Risk Factors

1. ***The COVID-19 pandemic has had and could, in the future, have an adverse effect on our business, financial condition and results of operations.***

   In March 2020, the World Health Organization declared COVID-19 a global pandemic, and governmental authorities around the world have implemented measures to reduce the spread of COVID-19. These measures have adversely affected workforces, supply chains, consumer sentiment, economies, and financial markets, and, along with decreased consumer spending, have led to an economic downturn across many global economies.

   The COVID-19 pandemic has rapidly escalated in India, creating significant uncertainty and economic disruption, and leading to record levels of unemployment nationally. Numerous state and local jurisdictions have imposed, and others in the future may impose, shelter-in-place orders, quarantines, shut-downs of non-essential businesses, and similar government orders and restrictions on their residents to control the spread of COVID-19. Such orders or restrictions have resulted in temporary closures, work stoppages, slowdowns and travel restrictions, among other effects, thereby adversely impacting our operations. In addition, we expect to be impacted by a downturn in the Indian economy, which could have an adverse impact on discretionary consumer spending.

   Due to the country-wide and prolonged lockdowns during the first wave of the Covid-19 pandemic from March 2020 until September 2020, our business operations were impacted, and we witnessed a significant reduction in business activities during this period. While our e-commerce platform continued to operate, we experienced a decline in user traffic in Fiscal 2021 due to the COVID-19 disruptions, leading to lower sales. Our revenue from operations decreased from ₹1,721.72 million in Fiscal 2020 to ₹1,253.32 million in Fiscal 2021 and was ₹790.81 million in the three months ended June 30, 2021. Further, our GMV declined from ₹66,976.48 million in Fiscal 2020 to ₹50,194.59 million in Fiscal 2021 and was ₹28,158.53 million in the three months ended June 30, 2021.

   The resurgence of COVID-19 in India in April 2021 led to further lockdowns in various regions of India and businesses were temporarily closed. While lockdowns have been progressively relaxed, the scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. During the second wave of COVID-19 in April 2021, there was limited impact on our business operations. However, there can be no assurance that prolonged country-wide lockdowns in future will not adversely impact our business operations, financial condition, and results of operations. Our allowance for doubtful finance receivables increased during Fiscal 2021, primarily driven by the economic environment, unemployment rates, moratoriums imposed on loan repayments by the Reserve Bank of India and impact on the repayment capacity of borrowers due to prevailing conditions of COVID-19 in India.

We will continue to incur costs for our operations, and our revenues during this pandemic are difficult to predict with certainty. As a result of any of the above developments, our business, results of operations, cash flows or financial condition for Fiscal 2021 have been significantly affected by the COVID-19 disruptions and our financial condition could continue to be adversely impacted in the future. There is no assurance the measures we have taken or may take in the future will be successful in managing the uncertainties caused by COVID-19. While we have been able to maintain our liquidity position and have been able to service our debt obligations, there can be no assurance that we will be able to continue to maintain our liquidity position should COVID-19 prolong unabated.

Our business and the automobile industry, in general, is particularly sensitive to reductions in personal and business-related spending levels. The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the assessment of impairment loss allowance on our loans which are subject to a number of judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy.

The COVID-19 pandemic could continue to impede global economic activity, even as restrictions are lifted, leading to decreased per capita income and disposable income, increased and prolonged unemployment or a decline in consumer confidence, all of which could significantly reduce discretionary spending by individuals and businesses. In turn, that could have a negative impact on demand for our platform and services or require us and our competitors to reduce prices for our services. Also see " *– Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations*" on page 46. Such circumstances or developments could have a material adverse impact on our business, financial condition, results of operations and cash flows. We cannot reasonably estimate the impact of the COVID-19 pandemic on our future revenues, results of operations, cash flows, liquidity, or financial condition, but such impacts have been and will likely continue to be significant for the foreseeable future.

The extent to which COVID-19 ultimately impacts our business, financial condition and results of operations will depend on future developments, which are highly uncertain and unpredictable, including new information which may emerge concerning the severity and duration of the COVID-19 outbreak and the effectiveness of actions taken to contain the COVID-19 outbreak or treat its impact, among others. The COVID-19 outbreak is evolving and new information emerges on an ongoing basis; accordingly, the ultimate consequences of the COVID-19 outbreak cannot be predicted with certainty. The actual impact of COVID-19 pandemic on our results remains uncertain and dependent on the spread of COVID-19 and steps taken by the Government to mitigate the economic impact and may differ from our estimates. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, and workforce. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations, cash flows and financial condition.

***2. If we are unable to provide a compelling vehicle search and ensure a positive customer experience, the interaction between buyers and automobile dealers using our marketplace may decline and our business and financial results would be materially and adversely affected.***

We are a technology and data science company that offers automobile buying and selling solutions online through a combination of our asset-light automobile e-commerce platform along with a proprietary and technology-driven integrated ecosystem of services for the automobile industry. We cater to both individual buyers, sellers and auto dealers. Our automobile e-commerce platform offers users an opportunity to buy and sell new and used vehicles and encompasses every element of automobile buying from price, discovery, certification to purchase and financing and delivery. As of September 30, 2021, we had 278,807 used vehicle listings on our platform. Based on the number of visitors in the six months ended September 30, 2021, there are 14.88 million average visitors to our website per month. If we fail to continue to provide a compelling vehicle search, match and transaction experience to consumers, the interaction between consumers and auto dealers, individual buyers, and sellers facilitated through our marketplace could decline, which in turn could lead auto dealers to stop listing their offerings on our marketplace, or advertisers to reduce their advertising spend with us. If auto dealers and individuals stop listing their offerings in our marketplace, we may not be able to maintain and grow our consumer traffic, which may cause other auto dealers and individuals to stop using our marketplace. This reduction in the number of auto dealers and individuals using our marketplace would likely adversely affect our marketplace and our business and financial results as consumers begin to use our platforms less due to best matches as per their needs or requirements not being found.

We believe that our ability to provide a compelling vehicle search, matching and transaction experience, both on the web and through mobile devices, is subject to a number of factors, including our ability to maintain an attractive and relevant marketplace for users such as auto dealers, individual buyers, and sellers, our ability to provide a wide selection to consumers, our ability to provide low price options to consumers, our ability to provide access to large base of highly intent consumers to our auto dealers, our ability to continue to innovate and launch new service offerings that are effective and have a high degree of consumer engagement, our ability to maintain the compatibility of our mobile application with operating systems such as iOS and Android, and with popular mobile devices running such operating systems, the user-friendliness of the interface, and our ability to access a sufficient amount of data to enable us to provide relevant advertisements and contents to consumers, including pricing information and accurate vehicle details. If the use of our marketplace, particularly on mobile devices, does not continue to grow, our business and operating results would be adversely affected.

Our business model is primarily based on our ability to enable consumers to buy and sell used vehicles through our e-commerce platform in a seamless and transparent transaction. If consumers fail to perceive us as a trusted brand with a strong reputation and high standards, or if an event occurs that damages our reputation, it could adversely affect user demand and have a material adverse effect on our business, revenues, and results of operations. Even the perception of a decrease in the quality of our customer experience or brand could impact results. Our high rate of growth makes maintaining the quality of our customer experience more difficult.

Complaints or negative publicity about our business practices, marketing and advertising campaigns, vehicle quality, compliance with applicable laws and regulations, data privacy and security or other aspects of our business, especially on blogs and social media websites, could diminish consumer confidence in our platform and adversely affect our brand, irrespective of their validity. The growing use of social media increases the speed with which information and opinions can be shared and thus the speed with which our reputation can be damaged. If we fail to correct or mitigate misinformation or negative information about us, our platform, our customer experience, our brand or any aspect of our business, including information spread through social media or traditional media channels, it could materially and adversely affect our business, financial condition and results of operations.

***3. We depend on our proprietary technology for critical functions of our business. Failure to properly maintain or promptly upgrade our technology may result in disruptions to or lower quality of our services and our business, results of operations and financial condition may be materially and adversely affected.***

We rely on our proprietary technology, including web and mobile apps and AI algorithms for critical functions of our businesses. For further information, see "*Our Business—Technology*" on page 148. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, we incurred ₹148.15 million, ₹193.84 million, ₹136.19 million and ₹41.34 million, respectively, towards technology and product development (including headcount costs) that accounted for 5.89%, 7.16%, 6.66% and 3.64% of our total expenses in such periods.

Maintaining and upgrading our technology carry certain risks, including the risk of disruptions caused by significant design or deployment errors, delays, or deficiencies, which has made and may continue to make our platform and services unavailable. We may also implement additional or enhanced technology in the future to accommodate our growth and to provide additional capabilities and functionalities. The implementation of new or enhanced technologies may be disruptive to our business and can be time-consuming and expensive and may increase management responsibilities and divert management attention. While there have not been any disruptions that have had a material impact on our operations, there can be no assurance that we will not encounter any significant disruptions in future. Additionally, our proprietary AI algorithms are based on data-driven analytics. If we do not have a large amount of data or the quality of data available to us for analysis is unsatisfactory, or if our algorithms have deficiencies, our proprietary AI algorithms may fail to perform effectively. If we fail to properly maintain or promptly upgrade our technology, our services may be disrupted or become of lower quality, and our results of operations and financial condition may be materially and adversely affected.

***4. If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our users' data or our data, our platform and services may be perceived as not being secure, our reputation may be harmed, demand for our platform and services may be reduced and we may incur significant liabilities.***

We collect, manage, store, transmit and otherwise process vast amounts of data as part of our business and operations. While we have taken steps to protect the security of the information that we handle, there can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. Our security measures or those of our third-party service providers could fail and result in unauthorised access to or use of our platform and services or unauthorised, accidental, or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our or our users' data. While we have not faced any material disruptions or security breaches in the past, we may, in the future, be subject to cybersecurity attacks by third parties or internally seeking unauthorised access to our data or to disrupt our ability to provide our platform and services. For further information, see "*– Our actual or perceived failure to protect personal information and other data could damage our reputation and brand and have an adverse impact on our financial condition and results of operations*." on page 32.

In addition, computer malware, computer hacking, fraudulent use, social engineering (such as spear-phishing attacks), ransomware, credential stuffing, denial of service attacks, supply chain attacks, and general malicious activity have become more prevalent, and such incidents or incident attempts have occurred in the past and may occur in the future. Any actual or perceived failure to maintain the performance, reliability, confidentiality, integrity, and availability of our platform and services to the satisfaction of our users may harm our reputation and our ability to retain existing users and attract new users.

Users who lose confidence in the security of our platform and services as the result of an actual or perceived cybersecurity breach or other security incidents may curtail or stop using our services, which may cause our reputation to suffer or result in widespread negative publicity. Additionally, we may incur significant harm including legal and regulatory exposure, including governmental or third-party lawsuits, disputes, investigations, orders, regulatory fines, penalties for violation of applicable laws or regulations or other liabilities and negative financial impacts, which may have a material adverse effect on our business, results of operations and financial condition. In addition, we are also subject to onerous data protection and privacy laws such as the General Data Protection Regulation 2016/679 as well as other international and local regulations in these jurisdictions, breaches of which could cause significant losses and penalties adversely affecting our business, results of operations and financial condition.

***5. Our business is also subject to risks related to India's used and new automobile and vehicular services e-commerce industry, including industry-wide and macroeconomic risks.***

We primarily operate in the used automobile market. According to the GT Report, the market for used vehicles is expected to grow at a CAGR of 15.7% between Fiscal 2021 and Fiscal 2026. However, India's used automobile industry could be affected by many factors, including but not limited to, general economic conditions in India and around the world; the growth of disposable household income, the cost of credit and the availability of credit to finance used automobile purchases; the growth of India's automobile industry; the growth of India's auto financing industry; taxes and other incentives or disincentives related to used automobile purchases and ownership; environmental concerns and measures taken to address these concerns; the cost of energy, including petrol and diesel prices, the improvement of the road infrastructure and availability of parking facilities; other government policies relating to used cars and auto financing in India; fluctuations in the sales and price of new and used cars; consumer acceptance of used cars and of online purchases of used cars; consumer acceptance of financing automobile purchases; ride-sharing, transportation networks, and other fundamental changes in transportation pattern; and other industry-wide issues, including supply and demand for used cars, age distribution of cars, and supply chain challenges.

Any significant changes in retail prices for new or used vehicles could have a material adverse effect on our revenues and results of operations. For example, if retail prices for used vehicles rise relative to retail prices for new vehicles, it could make buying a new vehicle more attractive to our users than buying a used vehicle, which could result in reduced used vehicle sales and lower revenue while improving our new car sales. Additionally, manufacturer incentives could contribute to narrowing the price gap between new and used vehicles. Used vehicle prices may also decline due to an increased number of new vehicle lease returns over the next several years.

Adverse conditions affecting one or more automotive manufacturers could have a material adverse effect on our business, financial condition and results of operations and could impact our supply of used vehicles. In addition, manufacturer recalls are a common occurrence that has accelerated in frequency and scope in recent years. Such recalls could adversely affect used vehicle sales or valuations, which could have a material adverse effect on our business, financial condition and results of operations.

Any adverse change to these factors could reduce demand for used cars and hence the demand for our platform and services, and our results of operations and financial condition could be materially and adversely affected.

***6. Our business is dependent upon auto dealers willing to transact on our platform. A reduction in the number of auto dealers on our platform would have a material adverse effect on our business, financial condition and results of operations.***

Auto dealers account for a large percentage of the used cars transacted on our platform. Failure to attract and retain auto dealers to our platform, whether because of vehicle supply shortage, competition, or other factors, would adversely affect our business, financial condition and results of operations. The number of auto dealers on our platform increased from 16,175 as of March 31, 2019, to 20,002 as of March 31, 2020, and to 20,133 as of March 31, 2021, and was 20,725 as of September 30, 2021. Although the number of auto dealers on our platform has been increasing, there can be no assurance that this trend will continue.

Maintaining a large number of auto dealers on our platform depends on a number of factors, including our ability to reach a large number of potential buyers of vehicles on our platform; maintain and expand relationships with existing auto dealers; develop new business relationships with auto dealers; offer services to meet the needs of auto dealers; and enhance our service offerings by leveraging our technological capabilities. If auto dealers do not experience the volume of consumers that they expect during their listing period, or do not experience the level of vehicle sales they expect from those transactions, they may reduce or terminate their usage of our platform. Even if auto dealers do experience increased consumer connections or sales, they may not attribute such increases to our marketplace. If we fail to expand our base of auto dealers or fail to maintain or increase the level of listings from them, our business and financial results would be materially and adversely affected.

There is no guarantee that we will be able to maintain and increase the number of auto dealers on our platform, and if we fail to do so, the number of quality listings and transactions on our platform would decline, and our business, results of operations and financial condition would be materially and adversely affected.

***7. Our CEO and Promoter, Sandeep Aggarwal ("Mr. Aggarwal"), was charged with criminal offenses relating to insider trading that were subsequently dismissed. He is however enjoined from future violation of certain United States securities laws and is subject to an administrative order ("SEC Order") by the U.S. Securities and Exchange Commission ("SEC"), and failure to comply with such order could result in civil or criminal charges against him which could have an adverse impact on our business prospects, financial condition, results of operations and our reputation.***

Mr. Aggarwal was employed as a sell-side senior equity research analyst at a registered broker dealer and investment adviser (the "firm") in the U.S. between April 2008 and April 2010. During his tenure at the firm, he became aware of certain information regarding a potential partnership between two large technology companies. Mr. Aggarwal left his career as a sell-side senior equity research analyst in the U.S. in June 2011 and came to India to join Clues Network (Private) Limited in September 2011. Subsequently, during a visit to the U.S. in July 2013, he was charged by the U.S. Attorney's Office for the Southern District of New York ("SDNY") with criminal offenses relating to insider trading in connection with his discussions with an investor regarding the potential partnership between the two technology companies while in his role as a sell-side analyst with the firm in the U.S. Mr. Aggarwal pled guilty to criminal information (i.e., he was not indicted by a grand jury), which charged him with one count of conspiracy to commit securities fraud and one count of securities fraud. However, these charges were ultimately dismissed by the court in February 2020 following a series of federal court decisions that clarified insider trading laws and the SDNY's request to dismiss the criminal charges.

In July 2013, the SEC also charged Mr. Aggarwal with civil violations of the federal securities laws based on the same conduct described above. On December 6, 2013, the court in the civil SEC case entered a judgment permanently enjoining Mr. Aggarwal from future violations of Section 10(b) of the United States Securities Exchange Act of 1934, and Rule 10b-5 thereunder based on his consent to the entry of such order (the "Civil Injunction"). Subsequently, in January 2014, Mr. Aggarwal agreed to the entry of the SEC Order, based on the entry of the Civil Injunction and his guilty plea in the since-dismissed criminal case which (i) barred Mr. Aggarwal from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and (ii) barred him from participating in any offering of a penny stock, including by acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any 'penny stock', or inducing or attempting to induce the purchase or sale of any 'penny stock'. On February 13, 2020, the Court in the SEC civil case entered a final judgment against Mr. Aggarwal, which required him to pay a civil penalty and reiterated the terms of the Civil Injunction from December 6, 2013. The terms of the SEC Order also remain in effect.

The Civil Injunction and the SEC Order does not prohibit Mr. Aggarwal from making an offering of our Equity Shares in the United States in reliance on Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act as contemplated in this Draft Red Herring Prospectus, as long as the Equity Shares do not constitute a "penny stock" as defined in Title 17 of the U.S. Code of Federal Regulations § 240.3a51-1. While we do not believe that our securities currently constitute a penny stock (as defined in Title 17 of the U.S. Code of Federal Regulations § 240.3a51-1), in the event that the Equity Shares are in the future classified as a penny stock, such development could restrict Mr. Aggarwal's ability to continue as an officer or director of our Company and would prevent him from being involved in any offering of our Company's securities in the U.S. Any future violation of the terms of the Civil Injunction and the SEC Order could also result in additional criminal and civil charges against Mr. Aggarwal. Any such development could have an adverse impact on our business prospects, financial condition, results of operations and our reputation.

8. ***There are outstanding litigation proceedings involving our Company, Directors, Promoters and Subsidiaries. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are outstanding legal proceedings involving our Company, Directors, Promoter and Subsidiaries, which are pending at various levels of adjudication before various courts, tribunals and other authorities.

The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" on page 284) involving our Company, Directors, Promoters and Subsidiaries.

*Litigation involving our Company*

| **Types of proceedings** | **Number of cases** | **Total amount involved* (₹ in million)** |
|---|---|---|
| **Litigation involving our Company** | | |
| ***Against our Company*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | Nil | Nil |
| *Taxation cases* | Nil | Nil |
| ***By our Company*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | 81 | 31.68 |
| ***Total*** | **81** | **31.68** |
| **Litigation involving our Directors other than our Promoter** | | |
| ***Against our Directors*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | 1 | N.A. |
| *Taxation cases* | Nil | Nil |
| ***By our Directors*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| ***Total*** | **1** | **Nil** |
| **Litigation involving our Promoters** | | |
| ***Against our Promoters*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | Nil | Nil |
| *Disciplinary action taken against our Promoter in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange.* | Nil | Nil |
| *Taxation cases* | Nil | Nil |
| ***By our Promoters*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| ***Total*** | **Nil** | **Nil** |
| **Litigation involving our Subsidiaries** | | |
| ***Against our Subsidiaries*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | Nil | Nil |
| *Action taken by statutory and regulatory authorities* | Nil | Nil |
| *Taxation cases* | Nil | Nil |
| ***By our Subsidiaries*** | | |
| *Material civil litigation proceedings* | Nil | Nil |
| *Criminal cases* | 2 | 2.50 |
| ***Total*** | **2** | **2.50** |

* *To the extent ascertainable*.

For further information, see "*Outstanding Litigation and Other Material Developments*" on page 284.

There can be no assurance that these legal proceedings will be decided in our favour or in favour of our Directors/ Promoter. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

9. ***We propose to utilize the Net Proceeds to undertake inorganic growth for which the target may not be identified. In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding.***

We intend to utilize a certain amount from the Net Proceeds towards potential acquisitions and strategic initiatives. This amount is based on our management's current estimates and budgets, and our Company's historical acquisitions and strategic investments and partnerships, and other relevant considerations. As on the date of this Draft Red Herring Prospectus, we have not identified any specific targets with whom we have entered into any definitive agreements. See "*Objects of the Offer*" on page 80. We will from time to time continue to seek attractive inorganic opportunities that we believe will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on such management decisions of our management. The amounts deployed from the Net Proceeds towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including utilising our internal accruals and/or seeking debt, including from third party lenders or institutions.

10. ***We propose to utilize the Net Proceeds to undertake acquisitions for which targets have not been identified. Net Proceeds to be utilized towards inorganic growth initiatives may be insufficient for the cost of our proposed inorganic acquisition and the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended, and may be reduced or delayed.***

Our Company intend to utilize ₹ 4,000 million from our Net Proceeds to fund inorganic growth opportunities over a period of five financial years from the date of listing of Equity Shares. We intend to utilise such portion of the Net Proceeds for strategic acquisition opportunities that will enable us to gain access to new geographies, categories and services. For further details, see "*Objects of the Offer*" on page 80.

The actual deployment of funds will depend on a number of factors, including market conditions, our Board's analysis of economic trends and business requirements, exchange rate fluctuations, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, *i.e.*, whether they will be directly done by our Company or through our Subsidiaries or whether these will be in the nature of asset or technology acquisitions or joint ventures.

We have not entered into any definitive agreements towards any future acquisitions or strategic initiatives nor have identified any target company for strategic acquisitions or for undertaking other inorganic initiatives. It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. In the event we are unable to identify or conclude transactions for potential inorganic growth to the extent of ₹ 4,000.00 million or a part thereof over a period of five financial years from the date of listing, we may utilize the balance amount for any other purposes only in accordance with Sections 13(8) and 27 of the Companies Act, 2013. This will entail an authorization by the shareholders in a general meeting by way of a special resolution to vary the object and an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, in accordance with applicable laws. For details, see "*– Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*" on page 29.

This amount of Net Proceeds proposed to be utilised for the aforesaid Objects is based on our management's estimates and may not be the total value or cost of any such acquisitions, or investments, and may result in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Acquisitions and inorganic growth initiatives may be undertaken as cash transactions, or be undertaken as share-based transactions, including share swaps, or a combination thereof. However, in the event the portion of the Net Proceeds to be utilised for the inorganic growth initiatives are insufficient, or if required as an aspect of the acquisition model, our Company may conduct the acquisition as a cash transaction including using internal accrual. Utilisation of internal accruals towards inorganic growth initiatives may have a material adverse impact on our cash flows and financial condition.

Our ability to achieve benefits from future strategic and inorganic growth opportunities, if any, will largely depend upon whether we are able to integrate the acquired businesses into the rest of our Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could significantly increase our expenses, which, without a commensurate increase in total revenue, would lead to a decrease in net revenue.

In addition, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements to be entered into for inorganic growth opportunities which may, as the case may be, prevent us from disposing or acquiring shares in the subject entities, or force us to sell or acquire shares in the subject entities where we may not otherwise have decided to.

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

We propose to utilise the Net Proceeds towards (i) funding organic growth initiatives; (ii) funding inorganic growth initiatives; and (iii) general corporate purposes. For further information of the proposed objects of the Offer, see "*Objects of the Offer*" on page 80. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

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

***12. Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, and our management will have broad discretion over the use of the Net Proceeds.***

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 80 of this Draft Red Herring Prospectus. Our funding requirements are based on internal management estimates and our current business plans have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation, financial condition and access to capital

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 may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans.

Further, while our Company intends to utilise at least 40% of the amount of the Net Proceeds allocated towards our object of funding organic and organic growth initiatives, it has currently not estimated specific amounts that will be deployed towards such object. The exact amounts that will be utilised from the Net Proceeds towards funding our organic and inorganic growth initiatives will depend upon market conditions, our Board's analysis of economic trends and business requirements, exchange rate fluctuations, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. Furthermore, our inorganic growth initiatives could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Similarly, our organic growth initiatives, which comprise investments towards discounts and other promotional incentives, sales, marketing and distribution expenses and investments in development of technology infrastructure, which may not result in the desired growth (including in our user base) that we expect to achieve.

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

***13. We work with third-party service providers. Actions of third-party service providers are outside of our control and could materially and adversely affect our business, financial condition and results of operations.***

We work with third parties in providing many of the services offered on our platform. For example, we rely on third-party technology service providers to host our technology infrastructure and service our auto dealers and consumers. In addition, we rely on third-party vendors for our *ECO* service for inspection and for our *Droom Velocity* service for last-mile services such as delivery and fulfilment and title transfer offered.

We carefully select our third-party service providers, but we are not able to fully control their actions. If these third parties fail to perform as we expect, experience difficulty meeting our requirements or standards, fail to conduct their business ethically, fail to provide satisfactory services to our users, receive negative press coverage, violate applicable laws or regulations, breach the agreements with us, or if the agreements we have entered into with the third parties are terminated or not renewed, it could damage our business and reputation. In addition, if such third-party service providers cease operations, temporarily or permanently, face financial distress or other business disruptions, increase their fees, or if our relationships with them deteriorate, we would suffer from increased costs, be involved in legal or administrative proceedings with or against our third-party service providers and experience delays in providing users with similar services until we find or develop a suitable alternative. In addition, if we are unsuccessful in identifying quality partners, or establishing cost-effective relationships with them, or effectively managing these relationships, our business and results of operations would be materially and adversely affected.

***14. We rely on a limited number of third-party financing partners to fund loans facilitated through our platform. Inability to maintain sufficient access to financing arrangements could materially and adversely affect the amount of revenue we generate from our loan facilitation services.***

Given that we rely on a limited number of financing partners and there is no guarantee or commitment on the number of auto loans that our financing partners will fund through our platform, as the demand for our vehicle loans increases, there can be no assurance that our current third-party financing partners can meet the funding needs of consumer loans facilitated through our platform, or we can find additional financing partners or our cooperation with new financing partners will meet our expectations. If we terminate our collaboration with the financing partners, we may be unable to find substitutes on commercially reasonable terms, or at all. As a result, we would experience a material adverse effect on our business and results of operations, insofar as it relates to our loan facilitation services.

***15. The fees we charge from transactions on our platform may fluctuate or decline in the future and any material decrease in such service fees would harm our business, financial condition and results of operations.***

Most of our revenues are derived from the fees we charge from transactions on our platform, including transaction facilitation services and loan facilitation services. Maintaining and growing our revenues from transaction facilitation and loan facilitation service fees depends on a number of factors, including:

- our ability to deliver a satisfactory transaction experience to our users;
- our ability to attract buyers and sellers to our platform;
- the average unit price of used cars sold on our platform, which may continue to decrease as we expand our business by entering into lower-tier city markets;
- the loan facilitation service fees that we charge per transaction, which is subject to market competition;
- our ability to foster relationships with third-party service providers to provide services through our platform at attractive terms and prices to us and our users; and
- fluctuation in interest rates, which may affect the demand for our loan facilitation services, and other macro-economic changes.

Any failure to adequately and promptly address any of these risks and uncertainties would materially and adversely affect our business and the results of operations.

16. ***A significant disruption in service on our website or our mobile application could damage our reputation and result in a loss of consumers, which could harm our business, brand, operating results, and financial condition.***

Our brand, reputation, and ability to attract consumers, auto dealers, and advertisers depend on the reliable performance of our technology infrastructure. We may experience significant interruptions with our systems in the future. Interruptions in these systems, whether due to system failures, computer viruses, ransomware, or physical or electronic break-ins, could affect the security or availability of our marketplace on our website and mobile application, and prevent or inhibit the ability of consumers to access our marketplace. Such interruptions could also result in third parties accessing our confidential and proprietary information, including our intellectual property. Problems with the reliability or security of our systems could harm our reputation, our ability to protect our confidential and proprietary information, result in a loss of consumers and dealers, and result in additional costs.

Given that the sale and purchase of vehicles through our websites and apps is the core of our business, we depend on the efficient and uninterrupted operation of our technology platform, including our proprietary search and match algorithms. The same is true for other key functions such as marketing, forecasting, and accounting. We also store data, such as proprietary information regarding vehicle transactions and user behaviour in our data centres. Such data is essential to our business and our ability to correctly price used vehicles.

Problems faced by our third-party web-hosting providers could adversely affect the experience of consumers using our marketplace. Our third-party web-hosting providers could close their facilities without adequate notice. Any financial difficulties, up to and including bankruptcy, faced by our third-party web-hosting providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party web-hosting providers are unable to keep up with our growing capacity, cybersecurity or bandwidth needs, our business could be harmed. Any errors, defects, disruptions, or other performance or reliability problems with our network operations could cause interruptions in access to our marketplace as well as delays and additional expense in arranging new facilities and services and could harm our reputation, business, operating results, and financial condition.

17. ***Our ability to expand our services ecosystem is important to the growth of our business.***

We spend substantial time and resources creating new offerings in order to add new users to our platform and to open new sales channels. We offer a range of services as part of our platform ecosystem. For instance, *Orange Book Value*, or *OBV*, is our proprietary, patented technology that is an independent, data-driven, and unbiased algorithmic engine used for vehicle pricing, and *ECO* is an AI-driven vehicle inspection service that ensures prospective users understand the exact condition of the vehicle before purchasing the vehicle.

Our efforts to expand our ecosystem could fail for many reasons, including our failure to market our offerings effectively to new constituents, lack of acceptance of our offerings by existing members or new constituents, defects or errors in our new offerings or negative publicity about us or our new offerings. Diversifying our offerings and expanding our ecosystem to benefit our community involves significant risk. For example, these initiatives may not drive increases in revenue, may require substantial investment and planning and may bring us more directly into competition with companies that are better established or have greater resources than we do. It will require an additional investment of time and resources in the development and training of our personnel and our members. If we are unable to cost-effectively expand our ecosystem, then our growth prospects and competitive position may be harmed.

18. ***We rely, in part, on our branding and marketing campaigns for user acquisition and achieving higher levels of brand recognition. If we fail to conduct our sales and marketing activities effectively and efficiently, our business would be adversely affected.***

We believe that maintaining, promoting and enhancing our '*Droom*' brand and our various product brands is critical to maintaining and expanding our business. Maintaining and enhancing our brand depends largely on our ability to continue to provide quality, well-designed, useful, reliable, and innovative services on our platform, which we cannot assure you we will do successfully. Our marketing expense, i.e., the sum of our promotion and incentive expense and advertisement and business development expense, as a percentage of our GMV was 3.73%, 2.97%, 2.46% and 2.88% in Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, respectively, while our marketing expense as a percentage of revenue from operations was 134.34%, 115.38%, 98.70% and 102.47%, respectively, in such periods.

We expect to continue to invest substantial financial and other resources on marketing and advertising to grow our user base. We currently advertise through a combination of online and offline channels with the goal of driving more visitors to our website and mobile apps. We acquire consumers through marketing, cashback and promotions, and dealers through marketing and business development personnel. We provide access to our technology through our apps and web platforms. Our marketing efforts currently include digital and promotional discounts and offers to our auto dealers and consumers.

We believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful services on our platform, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We market our platform and services through our direct sales force, regional channels partners, and a number of free traffic sources, including users' word-of-mouth referrals. While our marketing and promotion expenses as a percentage of our GMV has been decreasing continuously, we may need to introduce new marketing options and our marketing initiatives may become increasingly expensive and generating a meaningful return on these initiatives may be difficult. If we fail to retain our relationship with existing consumers, if we do not attract new consumers to our platforms, or if we do not continually expand transaction volumes from consumers on our platform, our business, results of operations, financial condition, cash flows and prospects would be materially and adversely affected.

We may also face intense competition from our competitors who may have greater marketing resources than we do. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, we incurred ₹1,826.56 million, ₹1,986.50 million, ₹1,237.02 million and ₹810.33 million, respectively towards our marketing expenses, which is the sum of our promotion and incentive expense and advertisement and business development expense. If we fail to conduct our sales and marketing activities effectively and efficiently, or if our marketing campaigns are not successful, our growth, results of operations and financial condition would be materially and adversely affected.

***19. An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies include maintaining our leadership position by capitalizing on industry tailwinds, continuing to develop auto dealers and seller networks through technology and community outreach, continuing to invest in technology, data science, ecosystem and infrastructure, expanding into new geographies in non-metro cities and towns in India and also internationally, into additional verticals and selectively pursuing strategic investment and acquisition opportunities. For further information, see "*Our Business – Strategies*" on page 133. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities, demands and trends in the industry, develop features and solutions that meet our clients' requirements, compete with existing companies in our markets, consistently exercising effective quality control, and hire and train qualified personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We may face increased risks when we enter new markets internationally and may find it more difficult to hire, train and retain qualified employees in new regions.

Our business growth could be a strain on our resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our personnel. There can be no assurance that our personnel, systems, procedures, and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition, and profitability.

***20. Our actual or perceived failure to protect personal information and other data could damage our reputation and brand and have an adverse impact on our financial condition and results of operations.***

We collect, process, store, and use limited personal information and other data provided by users, including names, addresses, e-mail IDs and phone numbers and other confidential information. To effect secure transmission of such information, we rely on, among other security measures, firewalls, web content filtering, encryption, and authentication technology. We also depend on the security of our networks and, in part, on the security of our third-party service providers. Unauthorized use of, or inappropriate access to, our networks, computer systems or services, or to those of our third-party service providers, could potentially jeopardize the security of such confidential information. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target. We or our third-party service providers may be unable to anticipate these techniques or to implement adequate preventative measures. Non-technical means, such as actions (or inactions) by an employee, can also result in a data breach. We cannot assure you that any security measures are taken by us, or our third-party service providers will be effective in preventing these activities. We may need to expend significant resources to protect against security breaches or to address problems caused by such breaches. Till date, there have been no instances of security breaches resulting in user data being accessed. However, there was an instance in 2019 wherein an attempt was identified and rectified by us when the issue came to our attention. The attempted breach was associated with a misconfiguration of a sign-in API used which could have resulted in user information being exposed to the attacker. While this did not result in any material adverse impact on our operations, there can be no assurance that similar instances in future will not have an adverse impact on our business, results of operations, and financial condition.

If an actual or perceived breach of our security occurs, the perception of the effectiveness of our security measures could be harmed, which, in turn, could damage our relationships with dealers and reduce consumer traffic to our websites and apps. A party that is able to circumvent our security measures could misappropriate our proprietary information or the information of users who use our services, cause an interruption in our operations or damage the computers or other hardware of such auto dealers or consumers. As a result of any such breaches, our users may assert claims of liability against us for our failure to prevent these activities. These activities may subject us to legal claims, adversely impact our reputation and interfere with our ability to maintain our platform, all of which may have an adverse effect on our business, results of operations, cash flows and financial condition. Failure to protect user data, or to provide users with appropriate notice of our privacy practices, could also subject us to liabilities imposed by regulatory agencies or courts. We could also be subject to evolving national and state laws and self-regulatory standards that impose data use obligations, data breach notification requirements, specific data security obligations, restrictions on solicitation or other consumer privacy-related requirements. Further, operating system providers or mobile application like App Store or Google Play stores may also change their technical requirements or policies in a manner that adversely impacts the way in which we collect, use and share data from end-user devices. Restrictions on our ability to collect and use data as required could negatively affect our business and actions by operating system platform providers or application stores may affect the manner in which we collect, use and share data from user devices.

With the proposed enactment of the Personal Data Protection Bill, 2019 ("**PDP Bill**"), and the ongoing regulatory discussions regarding proposed Indian regulations to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential liability. The PDP Bill proposes a legal framework to govern the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the GoI, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data subjects and processors. The GoI is also in the process of considering legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology of the GOI formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non-personal data ("**NPD**"). The NPD Committee has released two reports which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with the GoI and corporations alike who will undertake a 'duty of care' to the community to which the NPD pertains and a registration regime for "data businesses", meaning businesses that collect, process or store data, both personal and non-personal.

As part of our operations, we are required to comply with the Information Technology Act, 2000 (the "**IT Act**") and the rules thereof, which provide for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber-related offences, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. The GoI has implemented certain privacy laws, including the Information Technology (Reasonable Security Practice and Procedures and or Information) Rules 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information. For further details, see "*Key Regulations and Policies in India*" on page 152.

Our failure to comply with any of these laws, regulations or standards may have an adverse effect on our business, results of operations, cash flows and financial condition.

***21. We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our shareholders and otherwise disrupt our operations and harm our results of operations.***

Our success will depend, in part, on our ability to grow our business in response to the demands of consumers and other constituents within the automotive industry, as well as competitive pressures. Although we have no plans to do so currently, in some circumstances, we may determine to grow our business through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of technology, research and development and sales and marketing functions;
- the transition of the acquired company's users to our platform;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources and other administrative systems;

- the need to implement or improve controls, policies and procedures at a business that, before the acquisition, may have lacked effective controls, policies and procedures;
- potential write-offs of intangibles or other assets acquired in such transactions that may have an ad-verse effect on our results of operations;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement, claims, violations of laws, commercial disputes, tax liabilities and other known and un-known liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former shareholders or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and otherwise harm our business. Future acquisitions also could result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, any of which could harm our financial condition. Also, the anticipated benefits of any acquisitions may not materialize. Any of these risks, if realized, could materially and adversely affect our business, financial condition and results of operations.

***22. We have had negative cash flows from operating activities in the past and may, in the future, experience similar negative cash flows.***

We have experienced negative cash flows from operating activities in the three months ended June 30, 2021 and Fiscals 2021, 2020 and 2019 and may, in the future, experience negative cash flows.

The following table sets forth certain information relating to our cash flows for the periods indicated below:

| Particulars | Three months ended June 30, 2021 | Fiscal | | |
|---|---|---|---|---|
| | | 2021 | 2020 | 2019 |
| | (₹ million) | | | |
| Net cash flow (used in) / from operating activities | (121.81) | (185.97) | (723.88) | (1,431.43) |
| Net cash flow from/ (used in) investing activities | (145.56) | (1.72) | (257.84) | 668.30 |
| Net cash flow from / (used in) financing activities | 515.33 | 129.05 | 940.29 | 802.51 |

For further information, see "*Financial Information – Restated Consolidated Cash Flow Statement*" on page 202.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

***23. Failures of the third-party data center hosting facilities could impair the delivery of our services and solutions and adversely affect our business.***

We currently serve our users from third-party data center hosting facilities located in Mumbai and a backup facility in Singapore. The operators of these facilities do not guarantee that our users access to our solutions will be uninterrupted, error-free or secure. We do not control the operation of these facilities, and such facilities are vulnerable to damage or interruption from a tornado, earthquake, fire, cyber-attack, terrorist attack, power loss, telecommunications failure, or similar catastrophic events. They also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in the delivery of our services and solutions. If for any reason our arrangement with the third-party data centers we use is terminated, we could incur additional expenses in arranging for new facilities and support. In addition, the failure of the data centers to meet our capacity requirements could result in interruptions in the availability of our platform or impair the functionality of our platform, which could adversely affect our business.

***24. We operate in a highly competitive industry, and pressure from existing and new companies may adversely affect our business and operating results.***

We are the only major player offering end-to-end online managed marketplace for automobiles in India (*Source: GT Report*), we may face competition from companies that provide vehicle listings, lead generation, and vehicle research services designed to reach consumers and enable sellers and auto dealers to reach these consumers. Our current and future competitors may include traditional dealerships that could increase investment in technology and infrastructure to compete directly with us, Internet and online automotive sites that could change their models to directly compete with us, providers of offline, membership-based vehicle buying services, used vehicle dealers or marketplaces with e-commerce business or online platforms, and automobile manufacturers that could change their sales models through technology and infrastructure investments.

We also expect that new competitors will continue to enter the online and traditional automotive retail industry with competing brands, business models, and services, which could have an adverse effect on our revenue, business, and financial results. For example, traditional automobile dealerships could transition their selling efforts online allowing them to compete directly with our online offering and pricing model with no negotiation. There are particular platforms that have adopted such business models. Additionally, existing global e-commerce businesses could directly enter the online used vehicle market. Some of these companies have significantly greater resources than we do and may be able to provide users access to a greater inventory of vehicles at lower prices while delivering a competitive online experience.

Our competitors may also develop and market new technologies that render our business model less competitive, unmarketable, or obsolete. For example, technology is currently being developed to produce automated, driverless vehicles that could eventually reduce the demand for, or replace, traditional cars including the used vehicles that are listed on our platform. Additionally, although demand for vehicle rideshare services has declined post-COVID-19 (*Source: GT Report*), a resurgence in ridesharing as a means of transportation may decrease consumer demand for the used cars listed on our platform. Furthermore, new technologies such as autonomous driving software have the potential to change the dynamics of vehicle ownership in the future. In addition, if our competitors develop business models or services with similar or superior functionality to our solutions, it may adversely impact our business. Our competitors may also impede our ability to reach consumers or commence operations in certain jurisdictions. For example, our competitors may increase their search engine optimization efforts and outbid us for search terms on various search engines.

Our current and potential competitors may have significantly greater resources than we have, and the ability to devote greater resources to the development, promotion and support of their online platforms or offerings. Additionally, they may have more extensive automotive industry relationships, longer operating histories and greater prominence than our platform. As a result, these competitors may be able to respond more quickly to new technologies and undertake more extensive marketing or promotional campaigns. If we are unable to compete with these companies, the demand for our offerings could substantially decline.

In addition, if one or more of our competitors were to merge or partner with another of our competitors, the change in the competitive landscape could adversely affect our ability to compete effectively. Our competitors may also establish or strengthen cooperative relationships with third-party data providers, technology partners, or other parties with whom we have relationships, thereby limiting our ability to develop, improve and promote our solutions. We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our revenue, business, and financial results.

***25. We rely on Internet search engines to drive traffic to our website, and if we fail to appear prominently in the search results, our traffic would decline and our business would be adversely affected.***

We depend, in part, on Internet search engines to drive traffic to our website. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, traffic to our website was 426.22 million, 284.50 million, 102.97 million and 43.64 million. The number of consumers we attract to our marketplace from search engines is due in part to how and where our websites rank in unpaid search results. Our rankings can be affected by several factors, many of which are out of our control and subject to frequent changes. Our competitors' Internet search engine optimization efforts may result in their websites receiving higher search result rankings than ours, or Internet search engines could change their methodologies in a way that would adversely affect our search result rankings. Should either of the above happen, overall growth in our marketplace traffic could slow or even start to decline. In addition, Internet search engine providers could start to show dealer and pricing information directly in search results, align with our competitors, or choose to develop competing services. Search engines may also adopt a more aggressive bidding system for keywords that would cause us to incur higher advertising costs or reduce our market visibility. Our website has experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of consumers directed to our website through Internet search engines could harm our business and operating results.

***26. The traffic to our website and mobile apps may be reduced if they do not achieve good rankings online or are removed from app stores which could result in our inability to compete effectively and thereby impact our financial condition and results of operations.***

Our ability to remain competitive and maintain and increase the number of users on our platform depends on our website and apps achieving good rankings. The number of users being directed to our platform is not entirely within our control, and we cannot guarantee that the algorithms employed by search engines will continue to rank our websites highly, even if we seek to optimize our rankings. If we do not achieve a high ranking for our websites, we may need to increase our spending on other forms of marketing or may potentially suffer a significant decrease in traffic to our websites and apps. Our website has experienced fluctuations in search result rankings in the past, and it is anticipated that similar fluctuations will occur in the future. In addition, search engines may consider our search efforts to optimize the rankings of our websites and apps manipulative or deceptive and therefore see them as a violation of their terms of service. This may result in our websites being excluded from organic search results, which could significantly reduce our ability to attract relevant traffic to our websites and apps. Any reduction in the number of users directed to our platforms through Internet search engines, vehicle listings sites or social networking sites could harm our business, results of operations cash flows and financial condition. Further, our ability to maintain high, unpaid search result rankings in app download stores is not fully within our control. Our competitors' app download store search optimization efforts may result in their apps receiving a higher result ranking than that of our apps, or mobile application download stores could revise their methodologies in a way that would adversely affect our apps' search result rankings. Further, the structure of these app stores may change, and third-party operators may decide to exclude our apps from their offering for various reasons, including our refusal to agree to changes in terms and conditions, which may adversely affect the availability of our apps. These operators may also charge us fees, or increase existing fees, to list our apps for download, which could adversely affect our margins or result in us discontinuing to offer our apps through third-party app stores.

***27. We are dependent on our Promoters, management team and several Key Managerial Personnel and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.***

Our ability to compete in the highly competitive technology industry depends upon our ability to attract, motivate, and retain qualified personnel. We are highly dependent on the continued contributions and relationships of our management and our senior leadership led by our Promoter and our Chairman, Whole-time Director and Chief Executive Officer, Sandeep Aggarwal. We rely on the continued effort and services of some key members of our senior management. All of our executive officers and key personnel are at-will employees and may terminate their employment relationship with us at any time. The loss of the services of our key personnel and any of our other executive officers, and our inability to find suitable replacements, could result in a decline in sales, delays in product development, and harm to our business and operations.

At times, we have experienced, and we may continue to experience, difficulty in hiring and retaining personnel with appropriate qualifications, and we may not be able to fill positions promptly or at all or may need to implement measures such as salary cuts due to external reasons. As of September 30, 2021, we had 286 permanent employees. The attrition rate of our employees was 2.92%, 6.11%, 5.12% and 3.54%, respectively, in Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021. We cannot guarantee that we will be able to recruit and retain qualified and capable employees. In addition, our recruiting personnel, methodology, and approach may need to be altered to address a changing candidate pool and profile. We may incur significant costs to attract and recruit skilled personnel, and we may lose new personnel to our competitors or other technology companies before we realise the benefit of our investment in recruiting and training them. As we move into new geographies, we will need to attract and recruit skilled personnel in those geographic areas, but it may be challenging for us to compete with traditional local employers in these regions for talent. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be harmed.

Our success depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our users, including our ability to transition personnel to new assignments on a timely basis. If we are unable to effectively utilise our personnel on a timely basis to fulfil the needs of our users, our business could suffer. Further, if we are not able to utilise the talent we need because of increased regulation of immigration or work visas, including limitations placed on the number of visas granted, limitations on the type of work performed or location in which the work can be performed, and new or higher minimum salary requirements, it could be more difficult to staff our personnel on user engagements and could increase our costs.

***28. We have a history of net losses, and we anticipate increased expenses in our future. Any loss in future periods could adversely affect our operations and financial conditions and the trading price of our Equity Shares.***

In Fiscals 2019, 2020 and 2021 and in the three months ended June 30, 2021, we had losses for the year/quarter of ₹1,053.70 million, ₹896.03 million, ₹688.83 million and ₹325.85 million, respectively. For further information, see "*Financial Information*" on page 193. We expect our costs to increase over time and our losses may recur given the investments expected towards growing our business. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from maintaining or increasing profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, cash flows, financial condition and results of operations could be adversely affected along with an impact on the trading price of our Equity Shares. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may incur significant losses in the future.

29. ***We may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure, developing and implementing new technologies as part of our platform and solutions. In past we have successfully raised funds to meet the business requirements and as part of our strategy to grow our business may require us to raise additional funds for our long-term business plans. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, venture capital funds, joint-venture partners and other strategic investors. 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 other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects. We may also be required to finance our growth, whether organic or inorganic, through future equity offerings, which may lead to the dilution of investors' shareholdings in us. See, "*– Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.*" below. We may also be restrained from raising funds from foreign investors as a result of regulatory policies and frameworks.

30. ***The deployment of Net Proceeds towards our organic or inorganic growth initiatives may not take place within the period currently intended, and may be reduced or extended.***

Our Company proposes to utilise the Net Proceeds towards, inter alia, funding organic and inorganic growth initiatives as permitted under our Memorandum of Association. We propose to utilise ₹11,500 million from the Net Proceeds towards organic growth initiatives. These initiatives comprise expanding our footprint in Tier 3 and Tier 4 cities in India, and select countries internationally, acquisition, marketing and branding for buyers and acquisition, marketing and branding for sellers. In addition, we intend to utilise ₹4,000 million for growth initiatives towards acquisitions and other inorganic growth initiatives. For further details, see "*Objects of the Offer – Details of the Objects of Fresh Issue*" on page 81. Accordingly, our decision to utilise the Net Proceeds towards one form of growth initiative (organic/ inorganic) over the other may have an impact on our cash flows, financial condition and results of operations. Further, in the event the portion of the Net Proceeds to be utilised for the inorganic growth initiatives are insufficient, we may have to seek alternative sources of funding. See also "*Risk Factors - We propose to utilize the Net Proceeds to undertake inorganic growth for which the target may not be identified. In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding.*" on page 28.

As the Net Proceeds are not proposed to be utilized towards implementing any specific project, a specific schedule of deployment of funds in relation to the Objects has not been provided in this Draft Red Herring Prospectus. While we intend to deploy the Net Proceeds towards the Objects over the next five Fiscals from listing of the Equity Shares pursuant to the Offer, and as described in the section titled "*Objects of the Offer*" on page 80, the actual deployment of funds will depend on a number of factors, including market conditions, our Board's analysis of economic trends and business requirements, exchange rate fluctuations, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital.
Depending upon such factors, we may, subject to applicable law, have to reduce or extend the deployment period for the stated Objects beyond the estimated five Fiscals, at the discretion of our management, in accordance with applicable law.

31. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance***

***may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

As of September 30, 2021, our aggregate outstanding indebtedness was ₹1.00 million. Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent before carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the (a) capital structure of our Company, (b) memorandum and/or articles of association of our Company, and (c) entering into any management contract or similar arrangement whereby our business or operations are managed by another person. While we have received all relevant consents required for the purposes of this Offer and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers may lead to acceleration of amounts due under such facilities and triggering of cross-default provisions. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

***32. We are subject to risks associated with expansion into new geographic regions.***

We currently operate our marketplace in three countries other than India while we offer *OBV*, our used vehicle pricing engine in 38 countries, as of September 30, 2021. Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For instance, we are focussing on our efforts towards expanding the *Droom* platform in South East Asia and the Middle East. For further information, see "*Our Business – Strategies*" on page 133. The risks involved in entering new geographic markets and expanding operations may be higher than expected, and we may face significant competition in such markets.

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

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements;
- incurring losses and additional expenditure to manage operations in such geographies;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

***33. We are subject to risks related to online payment methods.***

We accept payments for the token amount on our platform through a variety of methods, including credit and debit cards. As we offer new payment options to users, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay inter-change and other fees, which may increase over time and raise our operating costs. We are also subject to payment card association operating rules and certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. As our business changes, we also may be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance.

If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card and debit card payments from users or facilitate other types of online payments. If any of these events were to occur, our business, financial condition and results of operations could be materially adversely affected.

We may, in the future, suffer losses as a result of orders placed with fraudulent credit card data even if the associated financial institution approved payment of the orders. If we are unable to detect or control credit cards or other fraud, our liability for these transactions could harm our business, financial condition, and results of operations.

***34. If we fail to effectively expand our sales and marketing teams and their capabilities, we may not be able to increase our user base and achieve broader market acceptance of our platform.***

Increasing our user base and achieving broader market acceptance of our platform will depend on our ability to expand our sales and marketing teams and their capabilities to acquire new users and sell additional services to users. We believe there is significant competition for direct sales professionals with the skills and technical knowledge that we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future. Our ability to achieve significant future revenue growth will depend on our success in recruiting, training and retaining sufficient numbers of direct sales professionals. New and planned hires require significant training and time before they become fully productive and may not become as productive as quickly as we anticipate. Our growth prospects may be adversely impacted if our efforts to expand, train and retain our direct sales team do not generate a corresponding significant increase in revenue.

***35. Any failure to maintain the quality of customer service and deal with customer complaints could materially and adversely affect our business and operating results.***

Any failure to maintain our quality of customer service and to deal with customer complaints could lead to negative publicity about our customer service, which would in turn, diminish consumer confidence in our online marketplace. We interact with users online on-demand through email, phone, chat service and social media and consistently strive to maintain high standards of customer service. However, we periodically have experienced user disputes and receive complaints, which we endeavour to resolve through prompt and effective customer service. Any inability by us to properly manage or train our employees and personnel who handle customer complaints and disputes could compromise our ability to handle customer complaints effectively in the future. If we do not handle customer complaints effectively, our reputation may suffer, and we may lose our users' confidence, which could have a material adverse effect on our business, financial condition and results of operations.

***36. Our Registered Office and Corporate Office are located on leased or licensed or rented premises. If these leases, leave and license agreements or rental deeds are terminated or not renewed on terms acceptable to us, it could adversely affect our business, financial condition, results of operations, and cash flows.***

Our Registered Office and Corporate Office, are located on-premises that we operate pursuant to a lease or leave and license agreements. We may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements. We may also be required to vacate the premises at short notice as prescribed in the lease agreements, and we may not be able to identify and obtain possession of an alternate location, in a short time. The occurrence of any of the above events may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations. We may also face the risk of being evicted if our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

***37. We may not be able to respond in a timely and cost-effective manner to changes in preferences of our suppliers and buyers on our online marketplace.***

Our success depends on our ability to identify product and market trends, both on a pan-India, and international level, as well as to anticipate, gauge and react to rapidly changing consumer demands in a timely manner. Our vehicle listings must also appeal to a broad range of users whose preferences may vary significantly across regions and cannot be predicted with certainty. We cannot assure you that the demand for our listed vehicles with end-consumers will continue to grow or that our listings will remain consumer-relevant or meet rapidly changing consumer demands in the future. If we misjudge the market preferences or fail to anticipate a shift in consumer preferences, we may face a reduction in revenues. Auto dealers have control of the inventory they list on our online marketplace. If auto dealers fail to anticipate user demands or change their listings accordingly, our business may also suffer. Any inability on our end to respond to changes in vehicle demands and market trends in a timely manner could also have a material adverse effect on our business, financial condition, and results of operations.

38. ***Our use of open-source software could adversely affect our ability to offer our services and subject us to possible litigation.***

We use open-source software in connection with our development of technology infrastructure. Certain of the open-source software we use as part of our operations include software for operating systems, databases, proxies, load balancing, clustered computing software, development operations management software and automated server deployment software. From time-to-time, companies that use open-source software have faced claims challenging the use of open-source software and/or compliance with open-source license terms. We could be subject to suits by parties claiming ownership of what we believe to be open-source software or claiming non-compliance with open-source licensing terms. Some open-source licenses require users who distribute software containing open-source to make available all or part of such software, which in some circumstances could include valuable proprietary code of the user. While we monitor the use of open-source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open-source agreement, such use could inadvertently occur, in part because open-source license terms are often ambiguous. Any requirement to disclose our proprietary source code or pay damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop user relationships and services that are similar to or better than ours.

39. ***Some of our Directors may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us.***

As on the date of this Draft Red Herring Prospectus, certain of our Directors have interests in entities that are engaged in businesses similar to ours. For instance, our Whole-time Director and VP – Finance, Amarpreet Singh is on the board of our Subsidiary, Droom Tech Logistic Private Limited, an entity engaged in the provision of information technology based logistic services. While there is presently no conflict, there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

40. ***Internal or external fraud or misconduct or misrepresentation or mis-selling by our employees could adversely affect our reputation and our results of operations.***

Our business may expose us to the risk of fraud, misappropriation or misrepresentation or unauthorized transactions by our representatives and employees which could result in binding us to transactions that exceed authorised limits or present unacceptable risks. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation or misrepresentation or mis-selling by our representatives and employees, which could adversely affect our goodwill. Employee misconduct or mis-selling or misrepresentation could also involve the improper use or disclosure of confidential information, breach of any applicable confidentiality agreement, misappropriation or misuse of any third-party intellectual property rights which could result in regulatory sanctions, penalties and serious reputational or financial harm. In addition, employees may utilize our confidential information and technology to start their own businesses and become our competitors. Although we have systems in place to prevent and deter fraudulent activities by our employees, there can be no assurance that such systems will be effective in all cases. Any instances of such fraud or misconduct or mis-selling could adversely affect our reputation, business, results of operations, cash flows and financial condition.

41. ***Closures or consolidation among auto dealers could reduce demand for, and the pricing of, our services and advertising on our websites and apps***.

When auto dealers consolidate, the services they previously purchased separately are often purchased by the combined entity in a lesser quantity than before, leading to volume compression and loss of revenue across the automotive marketplace sector. In the past, auto dealers have been more likely to close or consolidate when general economic conditions and/or conditions in the automotive industry are poor. Despite our market position, consolidation or closures of auto dealers could reduce the aggregate demand for our services in the future and limit the amounts we earn for our solutions. If auto dealers were to reduce their usage of our platform and services, our business, financial condition, results of operations and cash flows could be adversely impacted.

42. ***We may be subject to vicarious product liability claims for defective products or may be subject to fines and penalties for products sourced from or sold through our online marketplace.***

We may become subject vicariously to product liability claims, which could harm our business, prospects, operating results and financial condition. The automotive industry experiences significant product liability claims and we face inherent risk of exposure to claims in the event the vehicles listed on our online marketplace do not perform as expected or malfunction resulting in property damage, personal injury or death, particularly if these events happen during the services we are responsible for, like inspection or delivery. In addition, we may be subject vicariously to product liability claims for defective components and parts that are manufactured by third-party parties and are part of vehicles sold through our platform. A successful liability claim against us could require us to pay a substantial monetary award. Moreover, a liability claim could generate substantial negative publicity about our online marketplace and business and inhibit or prevent future commercialization of our platform, which would have a material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential liability claims. Any lawsuit seeking significant monetary damages may have a material adverse effect on our reputation, business and financial condition. While we have not faced any product liability claims in the past, there can be no assurance that we will not be liable for such claims in future.

***43. Failure to protect our intellectual property rights could adversely affect our business and our brand.***

Our success and ability to compete depends, in part, on our ability to protect our trade secrets, trademarks, know-how, confidential information, proprietary methods and technologies and other intellectual property and proprietary rights, so that we can prevent others from using our inventions, proprietary information and property. We generally rely on common law trade secret and trademark laws, and confidentiality or license agreements with our employees, consultants, vendors, users and other third parties, and generally limit access to and distribution of our proprietary information, in order to protect our intellectual property rights and maintain our competitive position. However, we cannot guarantee that the steps we take to protect our intellectual property rights will be effective.

As of September 30, 2021, we own two copyright registrations in India, relating to *OBV*. We also own 46 trademark registrations in India, of which 33 are device marks, and 13 are word marks. We have filed applications for 18 trademarks that are, as of the date of this Draft Red Herring Prospectus, yet to be granted. Our Promoter and CEO, Sandeep Aggarwal has filed for one patent in India which is yet to be granted. The patent for our proprietary technology, *OBV*, is owned by our Promoter and CEO, Sandeep Aggarwal. It was granted by the US Patent & Trademark Office on May 28, 2020. Further, our Promoter and CEO, Sandeep Aggarwal has also filed 10 patents with the US Patent & Trademark Office that are yet to be granted. Pursuant to an arrangement with our Promoter and CEO, Sandeep Aggarwal, intellectual property developed by our Promoter and CEO, Sandeep Aggarwal, during the course of his employment will be assigned and owned by our Company. However, we cannot assure you that we will at all times be permitted to rely on such intellectual property for our operations.

As we expand our activities globally, our exposure to unauthorised copying and use of our services and platform capabilities and proprietary information will likely increase. We are currently unable to measure the full extent of this unauthorised use of our services, platform capabilities, software, and proprietary information. We believe, however, that such unauthorised use can be expected to be an issue that negatively impacts our revenue and financial results. Additional uncertainty may result from recent and future changes to intellectual property legislation and from interpretations of the intellectual property laws by applicable courts and agencies. Further, although we endeavour to enter into non-disclosure agreements with our employees, licensees and others who may have access to confidential and proprietary information, we cannot assure that these agreements or other steps we have taken will prevent unauthorised use, disclosure, or reverse engineering of our technology. Moreover, third parties may independently develop technologies or services that compete with ours, and we may be unable to prevent this competition.

We might be required to spend significant resources to defend, monitor, and protect our intellectual property rights, such as by initiating claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered. Additionally, we may provoke third parties to assert counterclaims against us. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology or use of our brand, and our business might be adversely affected.

***44. We may be subject to intellectual property rights claims by third parties, which could require us to pay significant damages and could limit our ability to use certain technologies.***

Companies in the software and technology industries, including some of our current and potential competitors, own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Such third parties, including certain of these leading companies and non-practising entities, may assert patent, copyright, trademark or other intellectual property rights against us, our technology partners, or our users.

While we take care to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. There may be third-party intellectual property rights, that cover or claim to cover significant aspects of our technologies or business methods. We may be exposed to increased risk of being the subject of intellectual property infringement claims as a result of acquisitions, as, among other things, we have a lower level of visibility into the development process with respect to such technology or the care taken to safeguard against infringement risks. Any intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including enhanced statutory damages if we are found to have wilfully infringed patents or other intellectual property rights. These claims could also result in our having to stop using technology found to be in violation of a third party's rights. We might be required to seek a license for the intellectual property, which may not be available on reasonable terms or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our operating expenses. Such risks will increase as we continue to expand our operations and product offerings. As a result, we may be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit or stop sales of our offerings and may be unable to compete effectively. While such claims by third parties have not been made to us historically, the occurrence of any of the foregoing would adversely affect our business operations and financial results.

***45. Our existing intangible assets may become impaired, depending upon future operating results.***

Our intangible assets were ₹5.20 million, as of June 30, 2021, representing 0.31% of our total assets. We periodically evaluate our intangible assets to determine whether all or a portion of our carrying values may no longer be recoverable, in which case a charge to earnings may be necessary. Any future evaluations requiring an asset impairment charge for intangible assets would adversely affect future reported results of operations and stockholders' equity, although such charges would not affect our cash flow.

***46. Certain of our Subsidiaries have availed certain unsecured borrowings which are repayable on demand.***

Certain of our Subsidiaries have availed certain unsecured borrowings from our Company, which in accordance with the terms of such borrowings, may require to be repaid on demand. In the event at any time during the tenor of the borrowing, the Subsidiaries are unable to repay such outstanding amount at that point in time, the same may affect the relevant Subsidiary's creditworthiness and future availably of financing.

***47. We may not be able to effectively communicate with our users through email and other messages.***

We use newsletters through emails as a free marketing tool to promote our offering, websites, and apps to users. Our emails may, however, be shown as "spam" or given a lower priority, which could reduce the likelihood of users opening or responding positively to them. Actions by third parties to block, impose restrictions on, or charge for the delivery of, emails, as well as legal or regulatory changes limiting our right to send such messages or imposing additional requirements, could impair our ability to communicate with users. If we are not able to use unpaid marketing tools in the form of emails or other messages efficiently, this could impair our marketing efforts or make them more expensive if we have to increase spending on paid marketing channels.

Further, malfunctions of our email and messaging services could result in erroneous messages being sent and users no longer wanting to receive any messages from us. Our process to obtain consent from visitors to our websites and apps to receive newsletters and other messages from us and to allow us to use their data may also be insufficient or invalid. As a result, such individuals or third parties may accuse us of sending unsolicited advertisements and other messages, which could result in claims being brought against us.

***48. 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 ordinary course of business entered into transactions with related parties in the past and from time to time, we may enter into related party transactions in the future. These transactions include remuneration to Executive Director and Key Managerial Personnel and transactions with holding company and subsidiaries. While 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 additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. In Fiscals 2019, 2020, and 2021, and the three months ended June 30, 2021, the aggregate amount of related party transactions related to sale of services to the holding company was ₹320.61 million, ₹175.20 million, ₹61.91 million and ₹17.91 million, respectively. The percentage of the aggregate value such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021 was 23.58%, 10.18%, 4.94% and 2.26%, respectively. For further information on our related party transactions, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 19. We cannot assure you that such transactions in the future, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

***49. Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, cash flows and results of operations.***

We are required to obtain certain approvals, registrations, permissions, and licenses from regulatory authorities, to carry out/ undertake our operations. These approvals, licenses, registrations, and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. For further information on the nature of approvals and licenses required for our business, see "*Government and Other Approvals*" on page 290.

We have made applications to relevant authorities for updating the name of our Company in current registrations and approvals, pursuant to the conversion of our Company into a public company. These applications are being processed. In addition, we have and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time. In addition, we have, and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time.

There is no assurance that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in imposition of penalties by relevant authorities and may also prevent us from carrying out our business. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

***50. Demand for used vehicles is subject to seasonal fluctuations.***

Demand for used cars tends to fluctuate between different quarters and individual months. Given these seasonal fluctuations, any factor that adversely affects demand for used vehicles during periods where we generally experience particularly high demand, for instance, unfavourable economic conditions, malfunctions of our websites or apps and special offers from our competitors and our ability to meet such demand may have a disproportionate effect on our performance. In addition, any negative effects of weak overall demand during those periods are likely to be exacerbated by industry-wide price reductions designed to clear out excess inventory. Accordingly, our results of operation may be adversely affected by seasonal changes in demand.

***51. We have in this Draft Red Herring Prospectus included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the e-commerce industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of e-commerce businesses, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information.

These non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business. We have derived certain industry information in this Draft Red Herring Prospectus from the GT Report, and the GT Report highlights certain industry and market data relating to us and our competitors, which may not be based on any standard methodology and are subject to various assumptions.

Further, as the industry in which we operate continues to evolve, the measures by which we evaluate our business may change over time. In addition, if the internal tools we use to track these measures under-count or over-count performance or contain algorithmic or other technical errors, the data and/or reports we generate may not be accurate. We calculate measures using internal tools, which are not independently verified by a third party.

Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. Also, see " – *Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned by and paid for by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*." on page 44.

***52. After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on the date of this Draft Red Herring Prospectus, our Promoter, Droom Pte. Ltd along with its nominees holds 100.00% of the equity share capital of our Company, for details of its shareholding pre and post Offer, see "*Capital Structure*" on page 70. After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer, or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. For further details in relation to the interests of our Promoters in the Company, please see *"Our Promoters and Promoter Group"* and *"Our Management"* on pages 184 and 166 respectively.

***53. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third-party research agency, GT appointed on August 27, 2021, to prepare an industry report titled "*Auto E-commerce Market*" dated November, 2021, exclusively for purposes of inclusion of such information in this Draft Red Herring Prospectus. Given the scope and extent of the GT Report, disclosures are limited to certain excerpts and the GT Report has not been reproduced in its entirety in the Draft Red Herring Prospectus. The report is a paid report that has been commissioned by our Company and is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

***54. Certain Directors and Key Managerial Personnel are interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their, their relatives and their company's shareholding in our Company, payment of dividend or distributions thereon. For the payments that are made by our Company to related parties, see "*Other Financial Information – Related Party Transactions*" on page 266. We cannot assure you that our Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Directors or Key Managerial Personnel, 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.

***55. Certain of our investments may be subject to market risk and we have not made any provisions for a potential decline of the value of such investments.***

We have made certain investments in mutual funds. The value of these investments depends on several factors beyond our control, including the prevailing Indian and international economic conditions, inflationary expectations and the RBI's monetary policies and is sensitive to a change in the net asset value of the mutual funds or the performance of the corporate deposits. Any decline in the value of these investments could adversely affect our financial condition and results of operations.

***56. Certain of our corporate filings with the RoC have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

***57. One of our Promoters is selling Equity Shares in the Offer and will receive a portion of the proceeds from the Offer as part of the Offer for Sale.***

The Offer includes an offer for sale of up to [●] Equity Shares aggregating up to ₹10,000 million by the Promoter Selling Shareholder. The proceeds from the Offer will be paid to the Promoter Selling Shareholder, and we will not receive any such proceeds from the Offer for Sale. For further information, see "*Capital Structure*" on page 70.

***58. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

We have obtained a number of insurance policies in connection with our operations including fixed assets. For further information, see "*Our Business – Insurance"* on page 149. As of March 31, 2019, 2020 and 2021, the aggregate coverage of the insurance policies obtained by us was ₹40.60 million, ₹27.84 million and ₹28.20 million, which constituted 3.15%, 2.06% and 2.49% of our total assets, respectively. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

***59. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.***

We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price. For further details, see "*Capital Structure*" on page 70.

The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing.

***60. Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.***

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems, and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

***61. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital***

***requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has not declared dividends in the past. Our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes including dividend distribution tax, if any, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

***62. Our users may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.***

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the Office of Foreign Assets Control or OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. While we have implemented internal controls to ensure compliance with applicable sanctions regulations and restrictions, since we carry on business with users with global operations, we may not have any control over whether such users transact business with entities subject to such sanctions regimes. Although we do believe that our operations are not in violation of any applicable sanctions regimes, if it were determined that our users are involved in transactions that are in violation of any such sanctions regimes, we could be subject to penalties, and our reputation and future business prospects could be adversely affected.

***63. Shortage of semiconductors may negatively impact the automotive industry which in turn may have an adverse impact on the used car industry.***

The automotive industry was negatively impacted in 2020 by the COVID-19 pandemic, with production declining. However, the surge in demand in the second half of 2020 led to a worldwide semiconductor supply shortage, both in automotive and in other industries. This has been further exacerbated by the continued COVID-19 pandemic and other supply chain related disruptions such as the Suez Canal blockage. Any inavailability of automotive electronics could impact the level of vehicle manufacturing and could have a consequent impact on used cars that are available for sale. Any such decline in used cars available for sale could have an adverse impact on our business, financial condition and results of operations.

**External Risk Factors**

***Risks Relating to India***

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

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

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

***65. Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Personal Data Protection Bill, 2019; (d) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In another example, the GoI has made it mandatory for business establishments with turnover above a certain size to offer digital modes of payment from November 2019, with no charges being levied on the users or the merchants by banks and payment service providers. Such measures could adversely impact our income streams in the future and adversely affect its financial performance.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. 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, financial condition 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.

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

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. For instance, China is one of India's major trading partners and there are rising concerns of a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

***67. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of users in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. The Competition Act aims regulate combinations with a view to ensure that no advese effect on competition in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an +AAEC on competition in India and all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India.

Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union including trade agreements between the United Kingdom and European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 and 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

***70. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us.

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

Further, the Government of India has notified the Finance Act, 2021 ("**Finance Act**") which has introduced various amendments to taxation laws in India. 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. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of

Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

***71. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our users thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages 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 adequately pass on to our users, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our users. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

***72. We are, and after the Offer will remain, a "foreign-owned and controlled" company in accordance with the Consolidated FDI Policy and FEMA Rules and accordingly, we shall be subject to Indian foreign investment laws***

In accordance with the provisions of the Consolidated FDI Policy and FEMA Rules, our Company is a foreign owned and controlled company. As a foreign-owned and controlled company, our Company is subject to various requirements under the Consolidated FDI Policy and other Indian foreign investment laws. Such requirements include restrictions on undertaking certain business activities without prior Government approval or at all, and pricing guidelines applicable to issue or transfer of our Equity Shares. While we believe that our business activities have been, and continue to remain, compliant with the requirements under the Consolidated FDI Policy and other Indian foreign investment laws, we cannot assure you that the Government, or a regulatory or judicial authority, will not take a different interpretation. A determination by the Government, or a regulatory or judicial authority, that any of our business activities are being, or have been, conducted in violation of the Consolidated FDI Policy and other applicable Indian foreign investment laws, would attract regulatory sanctions, including monetary penalties. In such an event, we may also have to cease undertaking the relevant business activities. Further, as long as we are a foreign-owned and controlled company, we may not be able to undertake certain commercially attractive business activities or investments without prior approval of the Government or at all.

***73. A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

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

***74. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

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

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

***Risks Relating to the Equity Shares and this Offer***

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

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

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

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

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 89 and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

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

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

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

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, the Finance Act, 2020 does not require dividend distribution tax ("**DDT**") to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15.00 (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40.00% (plus applicable surcharge and cess) in the case of foreign companies and 30.00% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

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 equity shares will be exempt from taxation in India in cases where an 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 jurisdictions on gains arising from a sale of equity shares.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.

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

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares.In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 333.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

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

Our Restated Consolidated Financial Information for Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and Selling Shareholders in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 89 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 301. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

Under the Companies Act 2013, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

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

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

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

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

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

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

***87. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.***

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

***88. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.***

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

## SECTION III: INTRODUCTION

## THE OFFER

The following table sets forth details of the Offer:

| Equity Shares Offered | |
|---|---|
| **Offer of Equity Shares** | Up to [●] Equity Shares, aggregating up to ₹ [●] million |
| *of which:* | |
| Fresh Issue(1)^ | Up to [●] Equity Shares, aggregating up to ₹20,000 million |
| Offer for Sale by Promoter Selling Shareholder(2) | Up to [●] Equity Shares, aggregating up to ₹10,000 million |
| *of which:* | |
| | |
| **Offer consists of:** | |
| (A) QIB Portion(3)(4) | Not less than [●] Equity Shares |
| *of which:* | |
| - Anchor Investor Portion | Up to [●] Equity Shares |
| - Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| *of which:* | |
| a) Available for allocation to Mutual Fund only (5% of the Net QIB Portion) | [●] Equity Shares |
| b) Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares |
| (B) Non-Institutional Portion(3) | Not more than [●] Equity Shares |
| (C) Retail Portion(3) | Not more than [●] Equity Shares |
| | |
| **Pre and post-Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus) | 191,302,260 Equity Shares |
| Equity Shares outstanding after the Offer | [●] Equity Shares |
| | |
| Use of Net Proceeds | See "*Objects of the Offer*" on page 80 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale. |

^ *Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of an aggregate amount up to ₹ 4,000 million. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws*

(1) *The Offer has been authorised by our Board of Directors, pursuant to its resolution dated October 16, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution date October 17, 2021.*

(2) *The Promoter Selling Shareholder confirms that the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations. The Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale as set out below*

| S. No. | Name of Promoter Selling Shareholder | Number of Equity Shares offered in the Offer for Sale | Date of resolution | Date of consent letter |
|---|---|---|---|---|
| 1. | Droom Pte. Ltd. | Up to [●] Equity Shares aggregating to ₹ 10,000 million | November 1, 2021 | November 1, 2021 |

(3) *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from other category or combination of categories, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.*

(4) *Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 318.*

Allocation to Bidders in all categories, except the Retail Portion and Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The Allocation to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Offer Procedure*" on page 318.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information of our Company derived from the Restated Consolidated Financial Statements as at for the three months ended June 30, 2021 and for the Fiscal 2021, Fiscal 2020 and Fiscal 2019.

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 193 and 252.

*[The remainder of this page has intentionally been left blank]*

Restated Consolidated Balance Sheet
All amounts in INR millions, except per share data or as otherwise stated

| Particulars | As at 30 June 2021 (Restated) | As at 31 March 2021 (Restated) | As at 31 March 2020 (Restated) | As at 31 March 2019 (See * below) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 25.29 | 27.11 | 35.52 | 41.11 |
| Intangible assets | 5.20 | 5.85 | 6.50 | - |
| Right of use asset | 158.70 | 164.91 | 331.38 | 374.22 |
| Financial assets | | | | |
| Investments | 3.16 | 3.18 | 3.45 | 6.45 |
| Loans | 55.68 | 58.93 | 120.35 | 134.17 |
| Other financial assets | 8.49 | 8.31 | 12.30 | 10.79 |
| Deferred tax assets (net) | - | - | - | - |
| Non-current tax assets (net) | 10.16 | 8.94 | 8.95 | 3.40 |
| Other assets | 0.23 | 0.25 | 0.09 | 3.43 |
| **Total non-current assets** | **266.91** | **277.48** | **518.54** | **573.57** |
| **Current assets** | | | | |
| Financial assets | | | | |
| Investments | 731.42 | 585.61 | 538.80 | 243.98 |
| Loans | 62.65 | 63.63 | 98.39 | 88.50 |
| Trade receivables | 341.08 | 186.20 | 121.83 | 226.65 |
| Cash and cash equivalents | 257.55 | 9.59 | 68.23 | 109.66 |
| Other bank balance | 11.83 | 3.26 | 3.08 | 2.83 |
| Other financial assets | 12.82 | 5.04 | 12.96 | 27.99 |
| Other assets | 14.83 | 12.81 | 2.95 | 16.97 |
| Current tax assets, net | - | - | - | 0.14 |
| Inventories | 4.97 | 4.76 | - | - |
| **Total current assets** | **1,437.15** | **870.90** | **846.24** | **716.72** |
| **TOTAL ASSETS** | **1,704.06** | **1,148.38** | **1,364.78** | **1,290.29** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 13.49 | 11.03 | 11.03 | 8.68 |
| Other equity | 790.41 | 178.15 | 581.61 | 732.37 |
| **Total equity** | **803.90** | **189.18** | **592.64** | **741.05** |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| Borrowings | 37.98 | 41.67 | 1.94 | 4.34 |
| Lease liabilities | 160.47 | 164.60 | 310.13 | 333.96 |
| Provisions | 15.81 | 14.80 | 12.73 | 10.37 |
| **Total non current liabilities** | **214.26** | **221.07** | **324.80** | **348.67** |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Borrowings | 263.81 | 476.82 | 313.65 | 1.87 |
| Lease liabilities | 25.89 | 25.55 | 45.18 | 40.09 |
| Trade payables | | | | |
| -Total outstanding dues of micro and small enterprises | 1.08 | 1.88 | 0.86 | 0.01 |
| -Total outstanding dues of creditors other than micro and small enterprises | 326.33 | 176.81 | 32.67 | 79.60 |
| Other financial liabilities | 52.94 | 45.64 | 45.93 | 68.89 |
| Other current liabilities | 13.92 | 7.86 | 6.26 | 7.59 |
| Contract liabilities | 0.15 | 1.88 | 1.41 | 2.38 |
| Provisions | 1.78 | 1.69 | 1.38 | 0.14 |
| **Total current liabilities** | **685.90** | **738.13** | **447.34** | **200.57** |
| **Total liablities** | **900.16** | **959.20** | **772.14** | **549.24** |
| **TOTAL EQUITY AND LIABILITIES** | **1,704.06** | **1,148.38** | **1,364.78** | **1,290.29** |

Restated Consolidated Statement of Profit and Loss

All amounts in INR millions, except per share data or as otherwise stated

| Particulars | For the quarter ended 30 June 2021 (Restated) | For the year ended 31 March 2021 (Restated) | For the year ended 31 March 2020 (Restated) | For the year ended 31 March 2019 (See * below) |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue from operations | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |
| Other income | 19.70 | 101.91 | 91.96 | 101.43 |
| **Total income** | **810.51** | **1,355.23** | **1,813.68** | **1,461.11** |
| **Expenses** | | | | |
| Service cost | 0.51 | 21.09 | 29.41 | 24.54 |
| Change in inventories | (0.21) | (4.76) | - | - |
| Employee benefits expense | 284.50 | 561.76 | 471.56 | 407.48 |
| Finance costs | 8.77 | 55.97 | 45.79 | 12.00 |
| Depreciation and amortisation expense | 9.04 | 44.80 | 54.72 | 24.38 |
| Other expenses | 833.73 | 1,364.80 | 2,107.49 | 2,046.06 |
| **Total expenses** | **1,136.34** | **2,043.66** | **2,708.97** | **2,514.46** |
| **Loss before equity method investment activity and tax** | **(325.83)** | **(688.43)** | **(895.29)** | **(1,053.35)** |
| Equity method investment activity, net | 0.02 | 0.27 | 0.08 | 0.15 |
| **Loss before tax** | **(325.85)** | **(688.70)** | **(895.37)** | **(1,053.50)** |
| **Tax expenses** | | | | |
| Current tax | - | 0.13 | 0.67 | 0.20 |
| Deferred tax expense/ (credit) | - | - | (0.01) | - |
| **Total tax expenses** | **-** | **0.13** | **0.66** | **0.20** |
| **Loss for quarter/year** | **(325.85)** | **(688.83)** | **(896.03)** | **(1,053.70)** |
| **Other comprehensive income/ (loss)** | | | | |
| **Items that will not be reclassified subsequently to Statement of profit and loss** | | | | |
| Remeasurement of net defined benefit liability | (0.39) | 0.85 | 1.89 | (0.07) |
| **Other comprehensive income / (loss) for the quarter/ year** | **(0.39)** | **0.85** | **1.89** | **(0.07)** |
| **Total comprehensive loss for the quarter/ year** | **(326.24)** | **(687.98)** | **(894.14)** | **(1,053.77)** |
| **Loss for the quarter/year attributable to** | | | | |
| - Owners of the company | (325.85) | (688.83) | (896.03) | (1,053.70) |
| | **(325.85)** | **(688.83)** | **(896.03)** | **(1,053.70)** |
| **Other comprehensive income / (loss) for the quarter/ year attributable to** | | | | |
| - Owners of the company | (0.39) | 0.85 | 1.89 | (0.07) |
| | **(0.39)** | **0.85** | **1.89** | **(0.07)** |
| **Earnings per equity share** | | | | |
| Loss per share (Basic and diluted) | (2.42) | (5.21) | (7.04) | (10.12) |

Restated Consolidated Cash Flow Statement
All amounts in INR millions, except per share data or as otherwise stated

| Particulars | For the quarter ended 30 June 2021 (Restated) | For the year ended 31 March 2021 (Restated) | For the year ended 31 March 2020 (Restated) | For the year ended 31 March 2019 (See * below) |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| **Loss before tax** | **(325.85)** | **(688.70)** | **(895.37)** | **(1,053.50)** |
| **Adjustments for:** | | | | |
| Finance costs | 8.77 | 55.97 | 45.79 | 12.00 |
| Interest on income tax refund | - | (2.84) | - | - |
| Fair value gain/ (loss) on mutual funds | (8.70) | (46.82) | (12.14) | 21.11 |
| Profit on sale of mutual funds | (0.45) | - | (33.50) | (84.42) |
| Other interest income | (0.04) | (0.19) | (1.07) | (15.83) |
| Assets written off | 0.03 | - | 0.11 | - |
| Interest income on security deposits | (0.18) | (1.16) | (0.99) | (0.34) |
| Equity method investment activity, net | 0.02 | 0.27 | 0.08 | 0.15 |
| Stock based compensation expense | 196.25 | 284.52 | 50.33 | 70.20 |
| Foreign exchange gain | (0.35) | (2.45) | - | - |
| Gain on termination of lease contracts | - | (19.22) | - | - |
| Liabilities no longer required, written back | - | (0.06) | (2.20) | (0.83) |
| Net loss/(profit) on disposal of property, plant and equipment | - | 0.02 | (0.02) | - |
| Loans written off | 0.50 | 5.74 | - | 0.78 |
| Provision for expected credit losses on loans | 0.65 | 60.39 | 8.58 | 86.88 |
| Provision for expected credit losses on trade receivables | 5.61 | 3.20 | 16.50 | 3.17 |
| Depreciation and amortisation expense | 9.04 | 44.80 | 54.72 | 24.38 |
| | **(114.70)** | **(306.53)** | **(769.18)** | **(936.25)** |
| **Adjustment for change in working capital:** | | | | |
| Increase in inventories | (0.21) | (4.76) | - | - |
| Decrease/ (Increase) in trade receivables | (160.14) | (65.12) | 88.32 | (137.19) |
| Decrease/ (Increase) in loans | 3.11 | 30.24 | (4.14) | (309.54) |
| Decrease/ (Increase) in other financial assets | (7.80) | 17.35 | 13.50 | (28.12) |
| Decrease/ (increase) in other assets | (1.99) | (10.11) | 17.36 | (14.98) |
| (Decrease)/Increase in trade payables | 148.80 | 145.25 | (43.88) | 23.60 |
| (Decrease)/Increase in other financial liabilities | 7.30 | (0.29) | (22.96) | (25.94) |
| (Decrease)/Increase in contract liabilities | (1.73) | 0.48 | (0.97) | (2.20) |
| (Decrease)/Increase in other current liabilities | 6.06 | 1.61 | (1.33) | (2.44) |
| Increase in provisions | 0.71 | 3.80 | 5.03 | 4.62 |
| | **(120.59)** | **(188.08)** | **(718.25)** | **(1,428.44)** |
| Income tax paid (net of refunds) | (1.22) | 2.11 | (5.63) | (2.99) |
| **Net cash used in operating activities** | **(121.81)** | **(185.97)** | **(723.88)** | **(1,431.43)** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of bank deposits | (8.54) | - | (5.33) | (0.17) |
| Interest received | - | - | 0.80 | 14.70 |
| Proceed from bank deposit maturity | - | - | 5.30 | |
| Purchase of property, plant and equipment | (0.36) | (1.82) | (12.42) | (27.31) |
| Proceeds from sale of property, plant and equipment | - | 0.10 | 0.09 | 0.83 |
| Purchase of investments | (427.50) | - | (398.12) | (4,352.66) |
| Proceeds from sale of investments | 290.84 | - | 151.84 | 5,032.91 |
| **Net cash from/(used in) investing activities** | **(145.56)** | **(1.72)** | **(257.84)** | **668.30** |
| **C. Cash flow from financing activities** | | | | |
| Interest paid | (4.72) | (32.53) | (14.31) | (0.03) |
| Proceeds from issuance of shares | 744.57 | - | 695.40 | 812.17 |
| Payments of lease liabilities | (7.85) | (41.31) | (50.21) | (15.84) |
| Proceeds from overdraft, net | (216.15) | 161.53 | 305.52 | - |
| Repayment of borrowings | (0.52) | (6.24) | (1.87) | - |
| Proceeds from term loan | - | 47.60 | 5.76 | 6.21 |
| **Net cash flow from financing activities** | **515.33** | **129.05** | **940.29** | **802.51** |
| **Net increase/ (decrease) in cash and cash equivalents** | **247.96** | **(58.64)** | **(41.43)** | **39.38** |
| Cash and cash equivalents at the beginning of the year | 9.59 | 68.23 | 109.66 | 70.28 |
| **Cash and cash equivalents at the end of the year** | **257.55** | **9.59** | **68.23** | **109.66** |
| **Cash and cash equivalents includes:** | | | | |
| Cash in hand | 0.88 | 0.43 | 1.10 | 0.07 |
| Bank with bank on current accounts | 256.67 | 9.16 | 26.96 | 67.69 |
| Bank deposits (with original maturity of less than 3 months) | - | - | 40.17 | 41.90 |
| | **257.55** | **9.59** | **68.23** | **109.66** |

## GENERAL INFORMATION

**Corporate Identity Number:** U72300DL2014PLC271386

**Company Registration Number:** 271386

**Registered Office:**

90/31B, First Floor
Malviya Nagar
New Delhi – 110017
Delhi

**Corporate Office:**

77A, Building No.1
Iffco Road, Sector-18
Gurugram – 122 015
Haryana

**Address of the Registrar of Companies**

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

Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110019
Delhi

**Company Secretary and Compliance Officer**

Anil Dwivedi, Company Secretary and Chief Compliance Officer
Droom Technology Limited
77A, Building No.1
Iffco Road, Sector-18
Gurugram – 122 015
Haryana
Telephone: +91 124 4610 300
E-mail: companysecretary@droom.in

**Board of Directors**

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

| Name | Designation | DIN | Address |
|---|---|---|---|
| Sandeep Aggarwal | Chairman, Whole-time Director & Chief Executive Officer | 01078744 | House no. 1702, Pent House, Block No. B1, 16th Floor, World Spa West, Sector – 30, Gurgaon – 122001 Haryana |
| Amarpreet Singh | Whole-time Director & VP-Finance | 08193931 | F-169, F- Block, Near Puran Singh Dera, Vishnu Garden, New Delhi – 110018 |
| Rishab Malik | Non-Executive Director | 01788466 | S-127, Greater Kailash-2, South Delhi, New Delhi-110048 |
| Joy Kumar Jain | Independent Director | 06406359 | 12, Moulsari Avenue, DLF City Phase-3, Gurgaon-122002, Haryana |
| Namrita Mahindro | Independent Director | 09346475 | C-79, Defence Colony, South Delhi, Delhi-110024 |
| Rajat Kumar Jain | Independent Director | 00046053 | B-6/806, Sahara Grace, M.G Road, Behind Sahara Mall, Chakarpur(74), Gurgaon-122002 |

For further details of our Board of Directors, see "*Our Management*" beginning on page 166.

**Filing**

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD", and has also been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act would be filed with the RoC at its office.

**Book Running Lead Managers**

**ICICI Securities Limited**
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai – 400025
Maharashtra, India
Telephone: +91 22 6807 7100
E-mail: droom.ipo@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Sameer Purohit/Sumit Singh
SEBI Registration No.: INM000011179

**Axis Capital Limited**
Axis House, 1st Floor
C-2 Wadia International Centre
Pandurang Budhkar Marg
Mumbai – 400025
Maharashtra, India
Telephone: +91 22 4325 2183
E-mail: dtl.ipo@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Harish Patel
SEBI Registration No.: INM000012029

**Edelweiss Financial Services Limited**
6th Floor, Edelweiss House
Off C.S.T Road, Kalina
Mumbai – 400098
Maharashtra, India
Telephone: +91 22 4009 4400
E-mail: droom.ipo@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Shah
SEBI Registration No.: INM0000010650

**HSBC Securities and Capital Markets (India) Private Limited**
52/60, Mahatma Gandhi Road
Fort
Mumbai – 400001
Maharashtra, India
Telephone: +91 22 2268 5555
E-mail: droomipo@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Sanjana Maniar/ Vinod Nagappan
SEBI Registration No.: INM000010353

**Nomura Financial Advisory and Securities (India) Private Limited**
Ceejay House, Level 11
Plot F, Shivsagar Estate
Dr. Annie Basant Road, Worli
Mumbai – 400018
Maharashtra, India
Tel: +91 22 4037 4037
E-mail: droomipo@nomura.com
Website:
www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Vishal Kanjani
SEBI Registration No.: INM000011419

**Legal Counsel to our Company and Promoter Selling Shareholder as to Indian Law**

**J. Sagar Associates**
Sandstone Crest
Sushant Lok Phase 1
Gurgaon – 122009
Haryana, India
Telephone: +91 124 439 0600

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

**Trilegal**
Peninsula Business Park
17th Floor, Tower B
Ganpat Rao Kadam Marg
Lower Parel (West)
Mumbai – 400 013
Maharashtra, India
Telephone: +91 22 4079 1000

**Legal Counsel to the Book Running Lead Managers as to International Law**

**Hogan Lovells Lee & Lee**
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Telephone: +65 6538 090

**Statutory Auditor to our Company**

**B S R & Co. LLP**
Chartered Accountants
Building number 10, 12th Floor, Tower-C
DLF Cyber City, Phase-II
Gurugram – 122002
Haryana, India
Telephone: +91 124 7191000
E-mail: amaheshwary@bsraffiliates.com
Peer Review Certificate Number: 011748
Firm Registration Number: 101248W/W-100022

**Changes in Statutory Auditors**

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

| Particulars | Date of change | Reason for change |
|---|---|---|
| **B S R & Co. LLP**<br>Chartered Accountants<br>Building number 10, 12th Floor, Tower-C<br>DLF Cyber City, Phase-II<br>Gurugram – 122002<br>Haryana, India<br>Telephone: +91 124 7191000<br>Email: amaheshwary@bsraffiliates.com<br>Peer Review Certificate Number: 011748<br>Firm Registration Number: 101248W/W-100022 | December 31, 2020 | Appointment as the Statutory Auditor |
| **S R G A & CO.**<br>90/ 31B, First floor, Malviya Nagar<br>New Delhi – 110017<br>Telephone: +91 11 40404500<br>Email: sandeep.gupta@srgglobal-ca.com<br>Peer Review Certificate Number: N.A.<br>Firm Registration Number: 011984N | September 5, 2020 | Appointment as the Statutory Auditor on account of casual vacancy due to the resignation of the previous auditor, till the conclusion of the annual general meeting held in 2020. |
| **B S R & Associates LLP**<br>Chartered Accountants<br>Building number 10, 12th Floor, Tower-C<br>DLF Cyber City, Phase-II<br>Gurugram – 122002<br>Haryana, India<br>Telephone: +91 124 7191000<br>Email: rthakur@bsraffiliates.com<br>Peer Review Certificate Number: 011719<br>Firm Registration Number: 116231W/W-100024 | September 4, 2020 | Resignation as the Statutory Auditor due to reduction in audit fee which resulted from the measures undertaken by Company to mitigate the impact of COVID-19. |

**Registrar to the Offer**

**KFin Technologies Private Limited**
Selenium, Tower B, Plot No - 31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad, Rangareddi – 500032
Telangana, India
Tel: +91 40 6716 2222, 1800 309 4001
E-mail: droom.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: M Murali Krishna
SEBI registration number: INR000000221

**Syndicate Members**

[●]

**Bankers to the Offer**

***Escrow Collection Bank(s)***

[●]

***Refund Bank(s)***

[●]

***Public Offer Account Bank(s)***

[●]

***Sponsor Bank***

[●]

**Bankers to our Company**

**Axis Bank Limited**
DSS 17, HUDA Shopping Complex,
Sector-23, Gurgaon– 122017
Haryana, India
Telephone: +91 8727040730
E-mail:
sector-23gurgaon.branchhead@axisbank.com
Contact Person: Amit Kumar

**ICICI Bank Limited**
SCO 18 & 19, Sector-14,
HUDA Market, Gurgaon- 122001
Haryana, India
Telephone: +91 9899531789
E-mail: Gaurav.bhatnagar@icicibank.com
Website: www.icicibank.com
Contact Person: Gaurav Bhatnagar

**Kotak Mahindra Bank Limited**
Kotak Aerocity, Asset Area 9, 4th floor,
Ibis Commercial Block, Hospitality District,
IGI Airport, New Delhi- 110037
Delhi, India
Telephone: +91 11 66717644
E-mail: gaurav.arora2@kotak.com
Website: www.kotak.com
Contact Person: N.A.

**Standard Chartered Bank**
Cyber hub,
Gurgaon-122002,
Haryana
Telephone: 9873145507
Email: siddharth.sethi@sc.com
Website: www.sc.com
Contact person: Siddharth Sethi

**Yes Bank Limited**
13-103, Western Express Highway,
Anand Nagar, Vakola, Santacruz east,
Mumbai-400055,
Maharashtra

Telephone: N.A.
Email: Chaitanya.suvanam@yesbank.in
Website: www.yesbank.in
Contact person: Chaitanya Suvanam

**Designated Intermediaries**

*Self-Certified Syndicate Banks*

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

*SCSBs and mobile applications enabled for UPI Mechanism*

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

*Syndicate SCSB Branches*

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

*Broker Centres/ Designated CDP Locations/ Designated RTA Locations*

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

**Experts**

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

Our Company has received written consent dated November 11, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 10, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated November 11, 2021 on the Statement of Possible Special Tax Benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has also received written consent dated November 10, 2021 from MGB & Co LLP, Chartered Accountants as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, to include their name in this Draft

Red Herring Prospectus, and as an "expert" as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations to the extent and in their capacity as Independent Chartered Accountants in respect of the reports and certificates provided by them in relation to the Offer.

Our Company has also received written consent dated November 10, 2021 from Grant Thornton as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, to include their name in this Draft Red Herring Prospectus, and as an "expert" as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations to the extent and in their capacity as Industry Vendor in respect of their report titled "*Auto E-commerce Market*" dated November, 2021.

**Monitoring Agency**

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 80.

**Appraising Entity**

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

**Credit Rating**

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

**IPO Grading**

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

**Green Shoe Option**

No green shoe option is contemplated under the Offer.

**Debenture Trustees**

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

**Inter-se allocation of responsibilities**

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

| S. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| 1. | Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Securities, Nomura Financial | ICICI Securities |
| 2. | Drafting and approval of all statutory advertisement | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Securities, Nomura Financial | ICICI Securities |
| 3. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Axis Capital |
| 4. | Appointment of intermediaries - Registrar to the Offer and advertising agency, printer including coordination of all agreements to be entered into with such intermediaries | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | ICICI Securities |

| S. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| 5. | Appointment of intermediaries - Banker(s) to the Offer, Sponsor Bank and other intermediaries, including coordination of all agreements to be entered into with such intermediaries | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Nomura Financial |
| 6. | International institutional marketing of the Offer, which will cover, *inter alia*:<br>• marketing strategy;<br>• preparation of road show presentation<br>• Finalizing the list and division of investors for one-to-one meetings; and<br>• Finalizing road show and investor meeting schedule | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC, Nomura | HSBC Financial |
| 7. | Preparation of frequently asked questions | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Nomura Financial |
| 8. | Domestic institutional marketing of the Offer, which will cover, *inter alia*:<br>• marketing strategy;<br>• Finalizing the list and division of investors for one-to-one meetings; and<br>• Finalizing road show and investor meeting schedule | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | ICICI Securities |
| 9. | Conduct non-institutional marketing of the Offer, which will cover, inter-alia:<br>• Finalising media, marketing and public relations strategy;<br>• Formulating strategies for marketing to Non-Institutional Investors | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Edelweiss Financial |
| 10. | Retail marketing of the Offer, which will cover, *inter alia*,<br>• Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows;<br>• Finalising centres for holding conferences for brokers, etc.;<br>• Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and<br>• Finalising collection centres | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Axis Capital |
| 11. | Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Nomura Financial |
| 12. | Managing the book and finalization of pricing in consultation with the Company | ICICI Securities, Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | HSBC Financial |
| 13. | Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable.<br>Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer | ICICI Securities , Axis Capital, Edelweiss Financial, HSBC Financial, Nomura Financial | Edelweiss Financial |

**Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 318.

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

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

**The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid in the Offer.**

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Promoter Selling Shareholder specifically confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to the Promoter Selling Shareholder, in relation to its respective portion of the Offered Shares. In this regard, our Company and the Promoter Selling Shareholder have appointed the BRLMs to manage this Offer and procure Bids for this Offer

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

For further details on the method and procedure for Bidding, see "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 310 and 318, respectively.

**Underwriting Agreement**

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

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions to closing, specified therein. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)*

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

The abovementioned underwriting commitments are indicative and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

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

## CAPITAL STRUCTURE

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

*(In ₹ except share data)*

| | | Aggregate value at face value | Aggregate value at Offer Price* |
|---|---|---|---|
| **A** | **AUTHORIZED SHARE CAPITAL**** | | |
| | 300,000,000 Equity Shares | 300,000,000 | - |
| | | | |
| **B** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER** | | |
| | 191,302,260 Equity Shares | 191,302,260 | - |
| | | | |
| **C** | **PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS** | | |
| | Offer of up to [●] Equity Shares | [●] | [●] |
| | *of which* | | |
| | Fresh Issue of up to [●] Equity Shares(1)^ | [●] | [●] |
| | Offer for Sale of up to [●] Equity Shares(2) | [●] | [●] |
| | | | |
| **D** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER** | | |
| | [●] Equity Shares (assuming full subscription in the Offer) | [●] | |
| | | | |
| **E** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer | | 5,060,734,532 |
| | After the Offer | | [●] |

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

** *For details in relation to changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 157.*

^ *Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to applicable laws. Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of an amount aggregating up to ₹ 4,000 million. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws.*

(1) *The Offer has been authorized by a resolution of our Board dated October 16, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated October 17, 2021.*

(2) *For details on the authorization of each of the Selling Shareholders in relation to the Offered Shares, see "The Offer" on page 56.*

### 1. Notes to the Capital Structure

***Equity Share Capital history of our Company***

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

| Date of allotment | Nature of allotment and name of allottee | No. of equity shares allotted | Cumulative No. of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|
| September 9, 2014 | Pursuant to initial subscription to the Memorandum of Association, 9,999 equity shares were allotted to Sandeep Aggarwal and one equity share was allotted to Roli Bedi | 10,000 | 10,000 | 10 | 10 | Cash | 100,000 |
| November 14, 2014 | Preferential allotment of equity shares to Droom Pte. Ltd. | 154,301 | 164,301 | 10 | 1,191 | Cash | 1,643,010 |
| March 4, 2015 | Private placement of equity shares to Droom Pte. Ltd. | 25,982 | 190,283 | 10 | 1,191 | Cash | 1,902,830 |
| August 21, 2015 | Private placement of equity shares to Droom Pte. Ltd. | 194,906 | 385,189 | 10 | 2,681 | Cash | 3,851,890 |

| Date of allotment | Nature of allotment and name of allottee | No. of equity shares allotted | Cumulative No. of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|
| June 17, 2016 | Rights issue of equity shares to Droom Pte. Ltd. | 66,705 | 451,894 | 10 | 15,000 | Cash | 4,518,940 |
| July 25, 2017 | Rights issue of equity shares to Droom Pte. Ltd. | 136,000 | 587,894 | 10 | 3,801.91 | Cash | 5,878,940 |
| June 4, 2018 | Rights issue of equity shares to Droom Pte. Ltd. | 117,506 | 705,400 | 10 | 2,899 | Cash | 7,054,000 |
| June 22, 2018 | Rights issue of equity shares to Droom Pte. Ltd. | 162,648 | 868,048 | 10 | 2,899 | Cash | 8,680,480 |
| June 6, 2019 | Rights issue of equity shares to Droom Pte. Ltd. | 234,561 | 1,102,609 | 10 | 2,964.68 | Cash | 11,026,090 |
| June 23, 2021 | Rights issue of equity shares to Droom Pte. Ltd. | 245,774 | 1,348,383 | 10 | 3,030 | Cash | 13,483,830 |
| August 11, 2021 | Rights issue of equity shares to Droom Pte. Ltd. | 196,183 | 1,544,566 | 10 | 3,030 | Cash | 15,445,660 |
| Pursuant to our Shareholders' resolution dated October 5, 2021, equity share of our Company of face value of ₹ 10 each was split into ten Equity Shares of our Company of face value of ₹ 1 each. Accordingly, 1,544,566 equity shares of our Company of face value of ₹ 10 each were split into 15,445,660 Equity Shares of face value of ₹ 1 each. | | | | | | | |
| October 21, 2021 | Rights issue of equity shares to Droom Pte. Ltd. | 496,195 | 15,941,855 | 1 | 303 | Cash | 15,941,855 |
| October 22, 2021 | Bonus issue of Equity Shares to Droom Pte. Ltd. (including its nominees) in the ratio of 11 Equity Shares for every one Equity Share held | 175,360,405 | 191,302,260 | 1 | N.A. | N.A. | 191,302,260 |

(b) Our Company has not issued any preference shares since incorporation.

2. Our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation.

3. Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or pursuant to any bonus issue since its incorporation:

| Date of allotment | Nature of allotment and name of allottee | No. of equity shares allotted | Face value (₹) | Issue price per equity share (₹) | Nature of consideration |
|---|---|---|---|---|---|
| October 22, 2021 | Bonus issue of Equity Shares to Droom Pte. Ltd. (including its nominees) in the ratio of 11 Equity Shares for every one Equity Share held | 175,360,405 | 1 | N.A. | N.A. |

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

5. Except as disclosed in "– *Equity Share Capital history of our Company*", our Company has not issued any Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price.

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

As on the date of this Draft Red Herring Prospectus, our Company has not made any issuance of Equity Shares pursuant to the ESOP Scheme.

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

As on the date of this Draft Red Herring Prospectus, Sandeep Aggarwal (on behalf of and as nominee of Droom Pte. Ltd.) and Droom Pte. Ltd. (along with its nominees) hold, in aggregate, 191,302,260 Equity Shares, which constitutes 100% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

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

| Nature of transaction | Date of allotment/ Transfer / Transmission | No. of equity shares | Nature of consideration | Face value per equity share (₹) | Issue price/ Transfer price per equity share (₹) | Percentage of the pre-Offer capital (%) | Percentage of the post-Offer capital (%) |
|---|---|---|---|---|---|---|---|
| **SANDEEP AGGARWAL** | | | | | | | |
| Initial subscription to the Memorandum of Association | September 9, 2014 | 9,999 | Cash | 10 | 10 | 0.05 | [●] |
| Transfer of 9,999 equity shares to Droom Pte. Ltd. | October 8, 2014 | (9,999) | Cash | 10 | 11 | (0.05) | [●] |
| Transfer of legal interest in one equity share but not the beneficial interest, on behalf of and from Droom Pte. Ltd. | October 8, 2014 | 1(2) | N.A. | 10 | N.A. | Negligible | [●] |
| Pursuant to our Shareholders' resolution dated October 5, 2021, equity share of our Company of face value of ₹ 10 each was split into ten Equity Shares of our Company of face value of ₹ 1 each. Accordingly, one equity share of face value of ₹ 10 each held by Sandeep Aggarwal in our Company were split into 10 Equity Shares of face value of ₹ 1 each. | | | | | | | |
| Bonus issue of Equity Shares in the ratio of 11 Equity Shares for every one Equity Share held in our Company | October 22, 2021 | 110(2) | N.A. | 1 | N.A. | Negligible | [●] |
| Transfer of legal interest in 119 Equity Shares to Droom Pte. Ltd. which he was holding on behalf of and as nominee of Droom Pte. Ltd. | October 28, 2021 | (119) | N.A. | 1 | N.A. | Negligible | [●] |
| **Sub-total** | | **1(2)** | | | | **Negligible** | [●] |
| **DROOM PTE. LTD.** | | | | | | | |
| Transfer of 9,999 equity shares from Sandeep Aggarwal | October 8, 2014 | 9,999 | Cash | 10 | 11 | 0.05 | [●] |

| Nature of transaction | Date of allotment/ Transfer / Transmission | No. of equity shares | Nature of consideration | Face value per equity share (₹) | Issue price/ Transfer price per equity share (₹) | Percentage of the pre-Offer capital (%) | Percentage of the post-Offer capital (%) |
|---|---|---|---|---|---|---|---|
| Transfer of 1 equity share from Roli Bedi | October 8, 2014 | 1 | Cash | 10 | 11 | Negligible | [●] |
| Transfer of legal interest in one equity share but not the beneficial interest, to Sandeep Aggarwal | October 8, 2014 | (1)[2] | N.A. | 10 | N.A. | Negligible | [●] |
| Preferential allotment | November 14, 2014 | 154,301 | Cash | 10 | 1,191 | 0.81 | [●] |
| Private placement | March 4, 2015 | 25,982 | Cash | 10 | 1,191 | 0.14 | [●] |
| Private placement | August 21, 2015 | 194,906 | Cash | 10 | 2,681 | 1.02 | [●] |
| Rights issue | June 17, 2016 | 66,705 | Cash | 10 | 15,000 | 0.35 | [●] |
| Rights issue | July 25, 2017 | 136,000 | Cash | 10 | 3,801.91 | 0.71 | [●] |
| Rights issue | June 4, 2018 | 117,506 | Cash | 10 | 2,899 | 0.61 | [●] |
| Rights issue | June 22, 2018 | 162,648 | Cash | 10 | 2,899 | 0.85 | [●] |
| Rights issue | June 6, 2019 | 234,561 | Cash | 10 | 2,964.68 | 1.23 | [●] |
| Rights issue | June 23, 2021 | 245,774 | Cash | 10 | 3,030 | 1.28 | [●] |
| Rights issue | August 11, 2021 | 196,183 | Cash | 10 | 3,030 | 1.03 | [●] |
| Transfer of legal interest in five equity shares but not the beneficial interest, to Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam | August 11, 2021 | (5)[1] | N.A. | 10 | N.A. | Negligible | [●] |
| Pursuant to our Shareholders' resolution dated October 5, 2021, equity share of our Company of face value of ₹ 10 each was split into ten Equity Shares of our Company of face value of ₹ 1 each. Accordingly, 1,544,560 equity shares of face value of ₹ 10 each held by Droom Pte. Ltd. in our Company were split into 15,445,600 Equity Shares of face value of ₹ 1 each. | | | | | | | |
| October 21, 2021 | Rights issue of equity shares to Droom Pte. Ltd. | 496,195 | Cash | 1 | 303 | 0.25 | [●] |
| Bonus issue of Equity Shares in the ratio of 11 Equity Shares for every one Equity Share held in our Company | October 22, 2021 | 175,359,745 | N.A. | 1 | N.A. | 91.67 | [●] |
| Transfer of legal interest in 595 Equity Shares, from Sandeep Aggarwal Amarpreet Singh, Vineet Bahl, Akshay Singh and Devesh Gautam who were holding such Equity Shares on behalf of and as | October 28, 2021 | 595 | N.A. | 1 | N.A. | Negligible | [●] |

| Nature of transaction | Date of allotment/ Transfer / Transmission | No. of equity shares | Nature of consideration | Face value per equity share (₹) | Issue price/ Transfer price per equity share (₹) | Percentage of the pre-Offer capital (%) | Percentage of the post-Offer capital (%) |
|---|---|---|---|---|---|---|---|
| nominee of Droom Pte. Ltd. | | | | | | | |
| Transfer of legal interest in 119 Equity Shares, from Nikhil Garg who was holding such Equity Shares on behalf of and as nominee of Droom Pte. Ltd. | October 29, 2021 | 119 | N.A. | 1 | N.A. | Negligible | [●] |
| **Sub-total** | | **191,302,254** | | | | **99.99** | [●] |
| **Grand Total** | | **191,302,255 [(3)]** | | | | **99.99** | [●] |

[(1)] *Held by Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd..*
[(2)] *Held by Sandeep Aggarwal on behalf of and as nominee of Droom Pte. Ltd.*
[(3)] *This excludes 5 Equity Shares held by Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam each, on behalf of and as nominee of Droom Pte. Ltd.*

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

**b.** ***Shareholding of our Promoters and Promoter Group***

Except our Promoters, none of the members of our Promoter Group or directors of our corporate Promoter (other than Sandeep Aggarwal, our individual Promoter, who holds one Equity Share on behalf of and as a nominee of Droom Pte. Ltd.) hold any Equity Shares as of the date of this Draft Red Herring Prospectus.

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

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of 18 months as minimum Promoter's contribution from the date of Allotment ("**Minimum Promoters' Contribution**") and the shareholding of our Promoters in our Company in excess of the Minimum Promoters' Contribution shall be locked in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale.

(ii) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Minimum Promoters' Contribution are set forth in the table below:

| Name of Promoter | Number of Equity Shares locked-in* | Date of allotment/ transfer of Equity Shares and when made fully paid-up | Nature of transaction | Face Value per equity share (₹) | Issue/ Acquisition price per equity share (₹) | Percentage of the pre-Offer paid-up capital (%) | Percentage of the post-Offer paid-up capital (%) |
|---|---|---|---|---|---|---|---|
| Droom Pte. Ltd. | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total** | [●] | | | | | [●] | [●] |

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

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

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

(a) The Equity Shares offered for Minimum Promoters' Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalization of intangible assets, (ii) pursuant to a bonus issue out of revaluation reserves or capitalization profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters' Contribution;
(b) The Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;
(d) The Equity Shares forming part of the Minimum Promoters' Contribution are not subject to any pledge; and
(e) All the Equity Shares held by our Promoters shall be held in dematerialized form.

***d. Details of Equity Shares held by persons other than Promoters locked-in for six months***

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital held by persons other than our Promoters (including those Equity Shares held by our Promoters in excess of the Minimum Promoters' Contribution) shall be locked-in for a period of six months from the date of Allotment in the Offer, except Offered Shares and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations. Any unsubscribed portion of the Offered Shares, other than of shareholders exempted under Regulation 17, would also be locked-in for a period of six months from the date of Allotment in the Offer as required under Regulation 17 of the SEBI ICDR Regulations.

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

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

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

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

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

(i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

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

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred pursuant to the Offer for Sale shall not be subject to lock-in. Any unsubscribed portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

8. ***Shareholding Pattern of our Company***

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

| **Category (I)** | **Category of Shareholder (II)** | **Number of Shareholders (III)** | **Number of fully paid-up Equity Shares held (IV)** | **Number of Partly paid-up Equity Shares held (V)** | **Number of shares underlying Depository Receipts (VI)** | **Total number of shares held (VII) =(IV)+(V)+ (VI)** | **Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)** | **Number of Voting Rights held in each class of securities (IX)** | | | | **Number of shares Underlying Outstanding convertible securities (including Warrants) (X)** | **Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)** | **Number of Locked in shares (XII)** | | **Number of Shares pledged or otherwise encumbered (XIII)** | | **Number of equity shares held in dematerialized form (XIV)** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Number of Voting Rights** | | | **Total as a % of (A+B+ C)** | | | **Number (a)** | **As a % of total Shares held (b)** | **Number (a)** | **As a % of total Shares held (b)** | |
| | | | | | | | | **Class eg: Equity Shares** | **Class eg: Others** | **Total** | | | | | | | | |
| (A) | Promoter and Promoter Group[(1)(2)] | 7* | 191,302,260 | - | - | 191,302,260 | 100% | 191,302,260 | | 191,302,260 | 100% | - | 100% | - | - | - | - | 191,302,260 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total** | **7** | **191,302,260** | **-** | **-** | **191,302,260** | **100%** | **191,302,260** | **-** | **191,302,260** | **100%** | **-** | **100%** | **-** | **-** | **-** | **-** | **191,302,260** |

** As on the date of this Draft Red Herring Prospectus, six Equity Shares are held by six nominees on behalf of Droom Pte. Ltd., one of our Promoters.*

(1) *One Equity Share held by Sandeep Aggarwal, one of our Promoters, and one Equity Share each is held by Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, who are 'non-promoter non-public' shareholders, on behalf of and as nominee of Droom Pte. Ltd.*

(2) *Droom Pte. Ltd. holds 100% of the fully paid-up Equity Shares of our Company of which one Equity Share each is held by Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as the nominees of Droom Pte. Ltd.*

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

10. Except as stated below, none of our Directors and Key Managerial Personnel have any shareholding in our Company**:**

| Name | No. of Equity Shares | % of pre-Offer Equity Shares capital | % of post-Offer Equity Shares capital |
|---|---|---|---|
| *Director(s)* | | | |
| Sandeep Aggarwal | Nil* | Nil | [●] |
| Amarpreet Singh | Nil* | Nil | [●] |
| *Key Managerial Personnel(s)* | | | |
| Akshay Singh | Nil* | Nil | [●] |
| Vineet Bahl | Nil* | Nil | [●] |
| **Total** | **Nil*** | **Nil** | **[●]** |

**One Equity Share is held by Sandeep Aggarwal, Amarpreet Singh, Akshay Singh and Vineet Bahl on behalf of and as nominee of Droom Pte. Ltd.*

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

(a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has seven Shareholders.

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

| No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1. | Droom Pte. Ltd. | 191,302,260* | 100.00 |
| | **Total** | **191,302,260*** | **100.00** |

** Including six Equity Shares, of which one Equity Share each is held by Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd.*

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

| No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1. | Droom Pte. Ltd. | 191,302,260* | 100.00 |
| | **Total** | **191,302,260*** | **100.00** |

** Including six Equity Shares, of which one Equity Share each is held by Sandeep Aggarwal, Amarpreet Singh, Nikhil Garg, Vineet Bahl, Akshay Singh and Devesh Gautam, on behalf of and as nominee of Droom Pte. Ltd..*

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

| No. | Name of the Shareholder | No. of equity shares of face value of ₹ 10 each | Percentage of the pre-Offer equity share capital (%) |
|---|---|---|---|
| 1. | Droom Pte. Ltd. | 1,102,609* | 100.00 |
| | **Total** | **1,102,609*** | **100.00** |

** Including 1 equity share of face value ₹ 10 each held by Sandeep Aggarwal on behalf of and as nominee of Droom Pte. Ltd.*

(e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of filing of this Draft Red Herring Prospectus.

| No. | Name of the Shareholder | No. of equity shares of face value of ₹ 10 each | Percentage of the pre-Offer equity share capital (%) |
|---|---|---|---|
| 1. | Droom Pte. Ltd. | 1,102,609* | 100.00 |
| | **Total** | **1,102,609*** | **100.00** |

** Including 1 equity share of face value ₹ 10 each held by Sandeep Aggarwal on behalf of and as nominee of Droom Pte.Ltd.*

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

13. **Employee Stock Option Scheme**

    Pursuant to the resolutions of our Board of Directors dated October 21, 2021 and our Shareholders' resolution dated October 21, 2021, our Company has adopted Droom Employees Stock Option Scheme, 2021 (hereinafter "**ESOP Scheme**"). The purpose of ESOP Scheme is, *inter-alia*, to attract and retain talented employees and create wealth inthe hands of employees. The aggregate number of Equity Shares issued under ESOP Scheme, upon exercise, shall not exceed 1.25% of the fully diluted paid up capital at such price and on such terms and conditions as may be fixed or determined by our Board and the number of options granted shall not exceed 2,421,548. An independent practicing company secretary, CS Ritu, pursuant to certificate dated November 9, 2021 reported that ESOP Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As of the date of this Draft Red Herring Prospectus, no stock options have been granted under the ESOP Scheme.

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

15. All the Equity Shares held by our Promoters and members of Promoter Group are in dematerialised form.

16. Our Promoters, members of our Promoter Group, our Directors, directors of our Promoter or our Directors' relatives have not purchased or sold any securities of our Company during the six months prior to the date of filing this Draft Red Herring Prospectus.

17. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

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

19. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters and members of our Promoter Group are pledged or otherwise encumbered. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

20. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

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

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

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

24. Except for the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity

Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

25. Other than to the extent of the Equity Shares being offered by our Promoter, Droom Pte. Ltd., none of our other Promoters or members of our Promoter Group will submit Bids or otherwise participate in the Offer.

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

27. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

28. Except as disclosed in "*Capital Structure- Notes to Capital Structure- Equity Share Capital History of our Company*", our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

## OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue of up to [●] Equity Shares, aggregating up to ₹20,000 million by our Company and an Offer for Sale of up to [●] Equity Shares, aggregating up to ₹10,000 million by the Promoter Selling Shareholder.

### Offer for Sale

The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting its proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the net proceeds, *i.e.*, gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue ("**Net Proceeds**"). For further details, see *"Objects of the Offer – Offer Expenses*" on page 85.

### Fresh Issue

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

*(₹ in million)*

| Particulars | Amount |
|---|---|
| Gross proceeds from the Fresh Issue[(1)] | 20,000 |
| (Less) Offer related expenses in relation to the Fresh Issue[(2)] | [●] |
| **Net Proceeds** | [●] |

[(1)] *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus*

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

### Requirement of funds

We are an asset-light organization and are not required to make substantial investments into fixed assets. Our core asset is our technology platform, which we have built, created, and developed over the years, and we expect it to be the key driver for our business in the future.

Our automobile e-commerce platform, which includes our website and mobile apps, offers users convenience and a curated experience to buy and sell new and used vehicles and encompasses every element of automobile buying from searching for a vehicle, creating buying requirements, price discovery, booking, certification to purchase and financing and doorstep delivery. For further details, see "*Our Business"* on page 123.

In order to attain the business growth as envisaged, our business strategies include the following:

- Maintain our market leadership position by capitalizing on industry tailwinds due to the secular adoption of automobiles ownership and buying and selling shifting online
- Continue to develop dealer and seller network through technology and community outreach
- Continue to invest in technology, data science, ecosystem and infrastructure
- Expand into new geographies and additional verticals of high margin automobile services through technological innovation, deeper integration, and customer service
- Focus on building the 'Droom' brand
- Continue to improve unit economics and focus on profitable growth
- Selectively pursue strategic investment and acquisition opportunities

For further details, see "*Our Business-Strategies"* on page 133.

Accordingly, our Company proposes to utilise the Net Proceeds towards funding of the following objects (collectively, referred to as the "**Objects**"):

1. Funding organic growth initiatives
2. Funding inorganic growth initiatives
3. General corporate purposes

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

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds.

**Utilisation of Net Proceeds**

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

(*in ₹ million*)

| **Particulars** | **Estimated Amount** |
|---|---|
| Funding organic growth initiatives | 11,500 |
| Funding inorganic growth initiatives | 4,000 |
| General corporate purposes* | [●] |
| **Net Proceeds**^** | **[●]** |

**The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.*
*** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*
*^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable laws. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus*

Since the Net Proceeds are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, a schedule of deployment of funds in relation to the Objects has not been provided. We intend to deploy the Net Proceeds towards funding inorganic growth initiatives as mentioned in the table above, over the next five Financial Years from listing of the Equity Shares, in accordance with the business needs of the Company.

Further, the actual deployment of funds will depend on several factors, including market conditions, our Board's analysis of economic trends and business requirements, exchange rate fluctuations, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. Depending upon such factors, we may have to reduce or extend the utilisation period for the stated Objects beyond the estimated time period, at the discretion of our management, in accordance with applicable law.

Our fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. If the actual utilisation towards any of the identified Objects, as set out above, is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds of the Fresh Issue, in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls.

Further, our Company may decide to accelerate the estimated Objects. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects within the Fiscals as contemplated above, our Company will deploy the unutilized portion of such Net Proceeds in the succeeding Fiscal for such purpose.

**Means of finance**

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

**Details of the Objects of the Fresh Issue**

**1. Funding organic growth initiatives**

We intend to utilize ₹11,500 million from the Net Proceeds towards funding organic growth initiatives. The key factors and considerations which contribute to our organic growth, and towards which the Net Proceeds may be utilised, include:

**(a) Expanding our footprint in Tier 3 and Tier 4 cities in India, and select countries internationally**

Over the last seven years of operations, we were primarily focused on the Tier 1 cities in India. We intend to continue to expand domestically as well as internationally. Non-metro cities and towns in India are expected to grow faster in the coming years *(Source: GT Report)*. Our focus going forward will be to deepen our penetration in such cities. To grow our network in these cities, we intend to onboard additional auto dealers to ensure that we have an adequate supply of vehicles to address the demand from consumers. We will also undertake targeted marketing campaigns to educate potential users about the features of the Droom platform and also make it available in several regional languages to ensure faster adoption.

We commenced our international operations in November 2018 in Malaysia and have since expanded our operations to offer OBV in 38 countries, including Saudi Arabia, Singapore, and Vietnam, as of September 30, 2021. By expanding into markets internationally, we expect to serve a total addressable market (in terms of online passenger vehicles) in South-East Asia and the Middle East of USD 13.4 billion in 2020 and is expected to grow to USD 28.9 billion in 2025 *(Source: GT Report)*. Going forward, we intend to commence operations of the Droom platform with its entire functionality in countries in the Middle East and South-East Asia. In the Middle East, we intend to launch the platform in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, and Egypt while in Southeast Asia, we intend to target countries such as Indonesia, Thailand, Vietnam, Malaysia, Philippines, and Singapore. We expect that our asset-light and scalable business model will allow us to serve these geographies efficiently while ensuring sustained revenues for our growth.

**(b) Acquisition cost for buyers, sellers and auto dealers**

Historically, we have invested a significant proportion of our cost towards acquisition of new buyers, sellers and auto dealers through various marketing, branding and promotional initiatives to extend value proposition to our buyers, sellers and auto dealers. These marketing and sales spends are not only required for acquisition but also for retention of buyers, sellers and auto dealers.

| Particulars | As of and for the three months ended June 30, 2021 | As of and for the year ended March 31, | | |
|---|---|---|---|---|
| | | 2021 | 2020 | 2019 |
| Traffic (million) | 43.64 | 102.97 | 284.50 | 426.22 |
| Dealers | 20,392 | 20,133 | 20,002 | 16,175 |
| Automobile Orders | 25,141 | 45,445 | 72,174 | 88,981 |
| Marketing Cost (₹ million)* | 810.33 | 1,237.02 | 1,986.50 | 1,826.56 |
| Marketing cost as % of GMV | 2.88% | 2.46% | 2.97% | 3.73% |
| Marketing cost as % of Revenue from Operations | 102.47% | 98.70% | 115.38% | 134.34% |

** Our marketing expense is the sum of our promotion and incentive expense and advertisement and business development expense.*

We intend to continue acquiring buyers, sellers and auto dealers, through various initiatives, including the following:

*a.* Marketing and branding for the Droom and ecosystem products including Orange Book Value (algorithmic used vehicle pricing engine), ECO (inspection service, covering checkpoints for vehicle inspection, verification and certification services by trained technicians), History (repository for used vehicle historical records), Droom Discovery (pre-buying research tools), Droom Credit (automobile focussed financing platform), and Droom Velocity (last mile fulfilment and delivery services). This consists of our general advertising, digital advertising, marketing, and branding initiatives on digital and offline platforms. We incur these expenses to advertise our products and services to create a recognized brand in India. We have in the past undertaken television commercials that have been award-winning and have helped us position ourselves well as a foremost e-commerce brand for the automobile category. Our Company and our corporate Promoter have entered into service agreements with advertising agencies for print advertisements and outdoor creatives, tactical campaigns, social media engagement for publicising and enhancing our business image. We will continue to spend our marketing budgets on performance-based marketing, digital marketing, and branding marketing to increase the adoption of our platform while at the same time ensuring return on investment.

b. Acquisition, marketing and branding for buyers: We typically offer discounts and promotions to acquire new sellers, buyers and auto dealers. In addition, we offer merchandising deals on the platform to drive traffic, attract new users and promote our brand. We will continue to invest in acquiring new users as we expand to new markets in India and internationally.

*c.* Acquisition, marketing and branding for sellers: We typically spend on digital marketing to acquire new sellers. We will continue to invest in acquiring new sellers as we expand to new markets in India and internationally. The acquisition, marketing, and branding initiatives for sellers include digital marketing, performance marketing and brand marketing. Also see *"Our Business – Strategies – Focus on building the 'Droom' brand'"* on page 136.

Our marketing expense, i.e., the sum of our promotion and incentive expense and advertisement and business development expense, as a percentage of our GMV was 3.73%, 2.97%, 2.46% and 2.88% in Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, respectively, while our marketing expense, as a percentage of revenue from operations was 134.34%, 115.38%, 98.70% and 102.47%, respectively, in such periods. We plan to continue to spend similar amount as a percentage of GMV on our marketing to acquire buyers, sellers and dealers.

**(c) Investment in technology**

As an automobile e-commerce platform, we not only leverage technology to source vehicles and sell them online, but also offer proprietary and technology-driven services for vehicle valuation, certification, loan and insurance and delivery of the vehicle. For further details, refer to "*Our Business – Technology*" at page number 148.

Over the years our investment in technology and infrastructure, combined with our ecosystem of products and services around our core e-commerce platform has resulted in a self-reinforcing flywheel underpinned by strong local network effects and operating leverage.

We are dedicated to continuous innovation through leveraging our proprietary technology and intend to invest in technology to drive the growth of our business. We intend to expand our operations by broadening and deepening our service offerings by leveraging our AI and big data capabilities to develop innovative offerings that address all aspects of a user's vehicle transaction journey. We intend to continue to build auto dealer and seller focused technology, tools and services that allow us to offer an assortment of automobiles online.

The technological upgradation needs to be adapted and expanded to cater to other business lines, including new products or services that we may launch in the future. We plan to upgrade our technology platform to cater to a higher volume of vehicle loans, vehicle insurance, last-mile delivery and other services. Further, we plan to launch the platform in select international markets that would entail significant investment in technology to suit the local requirements such as vernacular language, currency support, etc. The investments required to build these products in the future may be substantially different from our current portfolio of products and services in order to cater to changing customer preferences and requirements.

Our data, product and engineering teams together are responsible for constantly improving our existing products including our auto e-commerce platform, and ecosystem services OBV, ECO, History, Droom Credit and Droom Discovery. In order to enhance these teams, we will continue to recruit significant talent in these roles. The key costs we incur in respect of our technology infrastructure comprise of employee costs, hardware costs, communication costs, software expenses, cloud hosting charges, and support cost incurred on facilities used by the employees.

*Historical experiences of organic growth initiatives*

We have historically incurred significant expense towards the above organic growth initiatives and believe that these outflows have contributed towards category creation and resulted in sellers, buyers and auto dealers coming back to our platforms organically for repeat purposes. Our historical expenditure on organic growth initiatives has been primarily accounted as "promotion and incentive expense", "advertisement and business development expense", and "IT support expenses" under Note 28 of the Restated Financial Statements on page 201, as well as expenditure pertaining to "Employee benefit expense" under Note 25 of the Restated Financial Statements on page 201. The total expenses towards the abovementioned initiative were ₹2,273.92 million in Fiscal 2019, ₹2,497.66 million in Fiscal 2020, ₹1,820.00 million in Fiscal 2021 and was ₹1,100.12 million in the three months ended June 30, 2021. For further details in relation to our historical expenditure, see "*Financial Information"* beginning on page 193.

Our historical investments may not be fully reflective of our future growth plans and new developments and business trends may arise within our categories of offerings. Our organic growth strategy and associated investments are and will continue to be subject to multiple internal and external factors, including applicable business requirements including investments in newer technology infrastructure and platforms and towards complementary and ancillary business offerings to compete effectively and to adapt to changes in customer and user preferences and technological advancements. See "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds"* on page 29.

**2. Funding inorganic growth initiatives**

We will from time to time seek inorganic opportunities that we believe fit well with our strategic business objectives and intend to utilize ₹4,000 million from the Net Proceeds towards such acquisitions over the next five Financial Years from listing of the Equity Shares pursuant to the Offer.

Past acquisitions: In 2019, we acquired Xeraphin Finvest Private Limited, a non-banking financial company (NBFC) to strengthen the consumer and dealer lending arm, Droom Credit for an aggregate consideration of approximately ₹6.11 million. The objective for the abovementioned acquisition was to help us increase the traction on our platform as we made it easier for the buyers to get auto loans at favourable terms. For details of the acquisition agreements, see "*History and Certain Corporate Matters – Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 159.

We are exploring strategic acquisition opportunities that will enable us to gain access to new geographies, categories and services. We continue to identify and evaluate prospects that will provide us access to new technologies/ IP, geographic market, and such prospects that we believe to be synergetic with our existing operations. For further details, see the section "*Our Business – Strategies – Selectively pursue strategic investment and acquisition opportunities*" on page 136.

While we continue to expand our business organically, we intend to evaluate and selectively pursue strategic investment and acquisition opportunities across the automobile value chain to supplement and complement our existing services and strategies when such opportunities arise. The objective of our proposed acquisitions would be to enhance our technologies and products and in particular in the blockchain, AI / ML, big data analytics and IoT space. To ensure the faster roll-out of Droom Velocity, we may consider the acquisition of regional or last-mile delivery service providers. We also intend to acquire entities that will help us expand our user base.

The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, *i.e.*, whether they will be directly done by our Company or through our Subsidiaries (including mode of such investment) or whether these will be in the nature of asset or technology acquisitions or joint ventures. Acquisitions and inorganic growth initiatives may be undertaken as cash transactions, or be undertaken as share-based transactions, including share swaps, or a combination thereof.

Further, in the event of a shortfall or if required as an aspect of the acquisition model, the Company may conduct the acquisition as a cash transaction including using internal accrual.

While evaluating expansion opportunities we look for markets that have the following characteristics like India:

a) Low trust markets;
b) High cost of capital;
c) Expensive real estate; and
d) Inadequate enforcement of consumer protection laws.

***Rationale for future acquisitions***

Listed below are certain criterion that we may consider when evaluating inorganic growth initiatives:

a) enhance our products and technology faster vs. developing it in-house;
b) accelerated entry into new markets or product segments;
c) capturing sellers, buyers and dealers in existing and new markets;
d) new capabilities to serve existing sellers, buyers and dealers;

e) newer platforms, service/product offerings, including ones which plug-in gaps in our existing ecosystem;
f) ability to strengthen market share in existing markets; and
g) ability to consolidate market share in specific verticals/ industry segments.

**3. General Corporate Purposes**

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹[●] million, towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, opening or setting up offices, business development initiatives, research and development, acquiring fixed assets, meeting any expense (including capital expenditure requirements) including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

The exact amounts that will be utilised from the Net Proceeds towards the stated objects will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identity and conclude inorganic acquisitions as well as general factors affecting our results of operations, financial condition and access to capital. See "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any independent agency and our management will have broad discretion over the use of the Net Proceeds*" on page 29.

**Interim use of Net Proceeds**

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

**Bridge Financing Facilities**

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

**Offer Expenses**

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

All Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Promoter Selling Shareholder, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Promoter Selling Shareholder in the Offer for Sale, respectively, as may be mutually agreed and in accordance with applicable laws. Any expenses paid by our Company on behalf of the Promoter Selling Shareholder in the first instance will be reimbursed to our Company, by the Promoter Selling Shareholder to the extent of its proportion of Offer related expenses.The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

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

| Activity | Estimated expenses[(1)] (in ₹ million) | As a % of the total estimated Offer expenses[(1)] | As a % of the total Offer size[(1)] |
|---|---|---|---|
| BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, | [●] | [●] | [●] |

| Activity | Estimated expenses(1) (in ₹ million) | As a % of the total estimated Offer expenses(1) | As a % of the total Offer size(1) |
|---|---|---|---|
| RTAs and CDPs (2)(3)(4)(5) | | | |
| Fees payable to the Registrar to the Offer | [●] | [●] | [●] |
| Fees payable to the other advisors to the Offer | [●] | [●] | [●] |
| Others | | | |
| (i) Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses. | [●] | [●] | [●] |
| (ii) Printing and stationery expenses | [●] | [●] | [●] |
| (iii) Advertising and marketing expenses | [●] | [●] | [●] |
| (iv) Fees payable to legal counsels | [●] | [●] | [●] |
| (v) Miscellaneous | [●] | [●] | [●] |
| **Total estimated Offer expenses** | [●] | [●] | [●] |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Monitoring Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus with RoC, as the Fresh Issue size exceeds ₹1,000 million. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such Financial Years as required under applicable laws, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

As required under Regulation 32(5) of the SEBI Listing Regulations, if the Net Proceeds are utilized for purposes other than those mentioned in this Red Herring Prospectus, our Company will prepare an annual statement of funds, which will be certified by its Statutory Auditors and placed before the Audit Committee. In case any such deviation is identified, the certificate of the Statutory Auditors will also be provided to the Monitoring Agency.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

The reports of the monitoring agency on the utilization of the Net Proceeds shall indicate the deployment of the Net Proceeds under the following heads:

A. ***Funding organic growth initiatives***
    i. User acquisition and retention cost
    ii. Investment in technology

B. ***Funding inorganic growth initiatives***

C. ***General corporate purposes***

Our Company shall also indicate the utilisation of the Net Proceeds in the notes to its quarterly financial results released to the Stock Exchanges post-listing under the heads mentioned above.

Our Company will make the requisite disclosures as may be required under the SEBI Listing Regulations in case of any acquisitions, strategic partnerships, or other inorganic growth initiatives undertaken by it post-listing.

**Variation in Objects**

Our Company shall not vary the Objects of the Offer, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Shareholders' Meeting Notice**") shall specify the prescribed details, provide Shareholders with the facility to vote by electronic means and shall be published in accordance with the Companies Act, 2013. The Shareholders' Meeting Notice shall simultaneously be published in the newspapers, one in English, one in Hindi, Hindi being the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price and in such manner, as prescribed by SEBI in Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

**Appraising agency**

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

**Other confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, members of the Promoter Group, our Directors or our Key Managerial Personnel.

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

## BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Bidders should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 123, 22, 252 and 193, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

1. Market leader in pure-play automobile e-commerce platform
2. Technology and data science company offering superior value proposition to entire automobile value chain
3. Diverse range of proprietary technology-driven ecosystem products and solutions
4. Scale driving network effect
5. Robust unit economics, high operating leverage and sound financial profile
6. Founder-led experienced management team

For details, see "*Our Business – Strengths*" on page 127.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "*Financial Statements*" on page 193.

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

**A. Basic and Diluted Earnings Per Equity Share ("EPS"):**

| Financial Year/Period ended(4) | Basic EPS* (in ₹) | Diluted EPS* (in ₹) | Weight |
|---|---|---|---|
| March 31, 2021 | (5.21) | (5.21) | 3 |
| March 31, 2020 | (7.04) | (7.04) | 2 |
| March 31, 2019 | (10.12) | (10.12) | 1 |
| **Weighted average(1)** | **(6.64)** | **(6.64)** | - |
| **Three months period ended June 30, 2021*** | **(2.42)** | **(2.42)** | |

**Face value of share [refer note (viii) below] - ₹ 1*

*Notes:*

*i) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year / Total of weights;*

*ii) Basic Earnings per Equity Share (₹) = Restated Consolidated Net profit/(loss) after tax attributable to Equity Share Holders of the Company for the year/period / Weighted Average number of basic Equity Shares outstanding during the year/period;*

*iii) Diluted Earnings per Equity Share (₹) = Restated Consolidated Net profit/(loss) after tax attributable to the Equity Share Holders of the Company for the year/period / Weighted Average number of potential Equity Shares outstanding during the year/period;*

*iv) Weighted Average Number of Shares is the number of Shares, outstanding at the beginning of the period adjusted by the number of shares issued during the period, multiplied by the time weighting factor. The time weighting Factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period;*

*v) Basic and diluted Earnings Per Share for the three months period ended June 30, 2021 are not annualized;*

*vi) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share';*

*vii) The figures disclosed above are based on the Restated Consolidated Ind-AS Financial Statements of the Company.*

*viii) Subsequent to June 30, 2021, there is split in value of face value of equity share from ₹ 10 to ₹ 1 and also bonus shares have been issued in the ratio of 11 shares for 1 share of ₹ 1 each held on record date. These changes have been considered retrospectively for the purpose of calculation of the net assets value per equity share*

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

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

**Industry Peer Group P/E ratio**

| Particulars | P/E Ratio |
|---|---|
| Highest | 82.30 |
| Lowest | 62.42 |

*Notes:*

*The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison of Accounting Ratio with Listed Industry Peer"*

*P/E figure for the peer has been calculated based on Highest and Lowest closing market price during the period August 2021 to October 2021, at BSE divided by diluted EPS (on consolidated basis) for the financial year ended March 31, 2021*

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## C. Average Return on Net Worth ("RoNW")

| Financial Year ended | RoNW(1) (%) | Weight |
|---|---|---|
| March 31, 2019 | (142.19) | 1 |
| March 31, 2020 | (151.19) | 2 |
| March 31, 2021 | (364.12) | 3 |
| **Weighted Average(2)** | **(256.15)** | |
| **Three months ended June 30, 2021(4)** | **(40.53)** | - |

*Notes:*

(1) *Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights;*

(2) *Return on Net Worth (%) = Restated Consolidated Net Profit/(loss) after tax attributable to Equity Share Holders of the Company / Restated net worth at the end of the year/period;*

(3) *Restated 'Net worth' can be defined as defined under Ind-As: Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as attributable to the Equity Share Holders as on March 31, 2019; 2020 and 2021 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;*

(4) *Restated return on Net Worth for the three months period ended June 30, 2021 are not annualized.*

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

| Financial Year ended/ Period ended | NAV* (in ₹) |
|---|---|
| As on March 31, 2021 | 1.43 |
| As on June 30, 2021 | 4.97 |
| After the completion of the Offer: | |
| (a) At Floor Price | [•] |
| (b) At Cap Price | [•] |
| Offer Price | [•] |

**Face value of share [refer note (v) below] - ₹ 1*

*Notes:*

(i) *Net Asset Value per Equity Share = Restated Net worth at the end of the year/period / Total number of Equity Shares outstanding during the year/period;*

(ii) *The calculation of total number of Equity Shares outstanding represents the aggregate of Equity Shares as at the end of period/year after considering conversion ratio;*

(iii) *Restated 'Net worth' can be defined as defined under Ind-As: Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as attributable to the Equity Share Holders as on March 31, 2019; 2020 and 2021 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;*

(iv) *Restated return on Net Worth for the three months period ended June 30, 2021 are not annualized.*

(v) *Subsequent to June 30, 2021, there is split in value of face value of equity share from ₹ 10 to ₹ 1 and also bonus shares have been issued in the ratio of 11 shares of ₹ 1 each for 1 share of ₹ 1 each held on record date. These changes have been considered retrospectively for the purpose of calculation of the net assets value per equity share*

**E. Comparison of Accounting Ratios with Listed Industry Peers[*]**

| Name of the Company | Total Income (₹ in million) | Face value per equity share (₹) | Closing price on October 29, 2021 (₹) | P/E | EPS (Basic) (₹) | EPS (Diluted) (₹) | RoNW (%) | NAV (₹ per share) |
|---|---|---|---|---|---|---|---|---|
| **Company** | 1,355.23 | 1.00 | - | - | (5.21) | (5.21) | NA | 4.97[(1)] |
| **Cartrade Tech Limited** | 2,815.23 | 10.00 | 1197.90 | 62.42 | 22.06 | 19.19 | 5.43% | 392.83 |

*[* As identified by the Company.]*
*Source for Industry Peer information included above*
*i. Closing BSE price of these equity shares as on October 29, 2021 obtained from www.bseindia.com*
*ii. All the financial information for listed industry peer mentioned above, except P/E is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the recent RHP dated July 28, 2021 of Cartrade Tech Limited filed with SEBI.*
*P/E figure for the peer has been calculated based on Lowest closing market price during the period August 2021 to October 2021, at BSE divided by diluted EPS (on consolidated basis) for the financial year ended March 31, 2021;*
*iii. All the financial information, except NAV, for Droom Technology Limited mentioned above is on a consolidated basis from the Restated Consolidated Financial Information for the year ended March 31, 2021.*

*(1) As on 30th June 2021.*

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

The Offer Price of ₹[●] has been determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 22, 123, 252 and 193, respectively, to have a more informed view.

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

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Board of Directors
**Droom Technology Limited (formerly known as Droom Technology Private Limited)**

90/31B, First Floor
Malviya Nagar
New Delhi – 110017

Date: 11 November 2021

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

This report is issued in accordance with the Engagement Letter dated 10 September 2021.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special-tax benefits available to the Company, its shareholders and its material subsidiary, which is defined in Annexure I (**List of Material Subsidiaries Considered As Part Of The Statement**), under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its shareholders and its Material Subsidiary to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its Material Subsidiary may face in the future and accordingly, the Company, its shareholders and its Material Subsidiary may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary, which are neither exhaustive nor conclusive and do not cover any general tax benefits available to the Company, its shareholders and its Material Subsidiary. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the "**Proposed Offer**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

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

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

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

i) the Company, its shareholders and its Material Subsidiary will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with; or

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

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company and its Material Subsidiary, and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiary.

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

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

*For* **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Anurag Maheshwary**
Partner
Membership No: 506533
UDIN: 21506533AAAADH3900

Place of Signature: Gurugram
Date: 11 November 2021

**ANNEXURE I**
**LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')**

| Sr. No: | Details of tax laws |
|---|---|
| 1. | Income-tax Act, 1961 and Income-tax Rules, 1962 |
| 2. | Central Goods and Services Tax Act, 2017 |
| 3. | Integrated Goods and Services Tax Act, 2017 |
| 4. | State Goods and Services Tax Act, 2017 |

**LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT (Note 1)**

1. Xeraphin Invest Private Limited ('Material Subsidiary')

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2021) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

## ANNEXURE II

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO DROOM TECHNOLOGY LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its Material Subsidiary under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company, its shareholders and its Material Subsidiary fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders and its Material Subsidiary to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

**UNDER THE TAX LAWS**

**1. Special tax benefits available to the Company**

A. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')

Section 115BAA has been inserted in the Act w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic Company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic Companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a Company opts for section 115BAA of the Act, the tax credit (under section 115JAA of the Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has not opted to apply section 115BAA of the Act for Financial Year 2020-21. Once the Company decides to opt for applicability of concessional tax rate, it would not be eligible to claim below deduction and MAT credit.

B. Deductions from Gross Total Income

- Section 80G of the Act: Deductions in respect of donations

  Subject to conditions prescribed in the Act, the Company is entitled to claim deduction, under the provisions of Section 80G of the Act, of an amount equal to hundred per cent or fifty percent (*as applicable as per the provisions of the Act)* of the amount of donations made by the Company in the relevant previous year.

  However, where the Company opts for special rate of tax for the FY 2021-22 under section 115BAA of the Act, such deduction shall not be allowed in computation of total income.

**2. Special tax benefits available to the Shareholders**

- As per section 112A of the Act, 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 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 1,00,000.

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

- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

**1. Special tax benefits available to Material Subsidiary**

A. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')

Section 115BAA has been inserted in the Act w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic Company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic Companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a Company opts for section 115BAA of the Act, the tax credit (under section 115JAA of the Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Material subsidiary has not opted to apply section 115BAA of the Act for Financial Year 2020-21. Once the Company decides to opt for applicability of concessional tax rate, it would not be eligible to claim below deduction and MAT credit.

B. Deductions from Gross Total Income

- Section 80G of the Act: Deductions in respect of donations

Subject to conditions prescribed in the Act, the Material Subsidiary is entitled to claim deduction, under the provisions of Section 80G of the Act, of an amount equal to hundred per cent or fifty percent (*as applicable as per the provisions of the Act)* of the amount of donations made by the Company in the relevant previous year.

However, where the Material Subsidiary opts for special rate of tax for the FY 2021-22 under section 115BAA of the Act, such deduction shall not be allowed in computation of total income.

**2. Special tax benefits available to the Shareholders of Material subsidiary**

- As per section 112A of the Act, 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 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 1,00,000.

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

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

**NOTES:**

1. The above is as per the current Tax Laws.

2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **DROOM TECHNOLOGY LIMITED**

*Director*

Place: Gurugram
Date: 11 November 2021

## SECTION IV: ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Auto E-commerce Market" dated November, 2021 (the "GT Report"), exclusively prepared and issued by Grant Thornton Bharat LLP who were appointed on August 27, 2021, and commissioned by and paid for by us. A copy of the GT Report is available on website of our Company at droom.in/ir. The data included herein includes excerpts from the GT Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

***Indian Macroeconomic View***

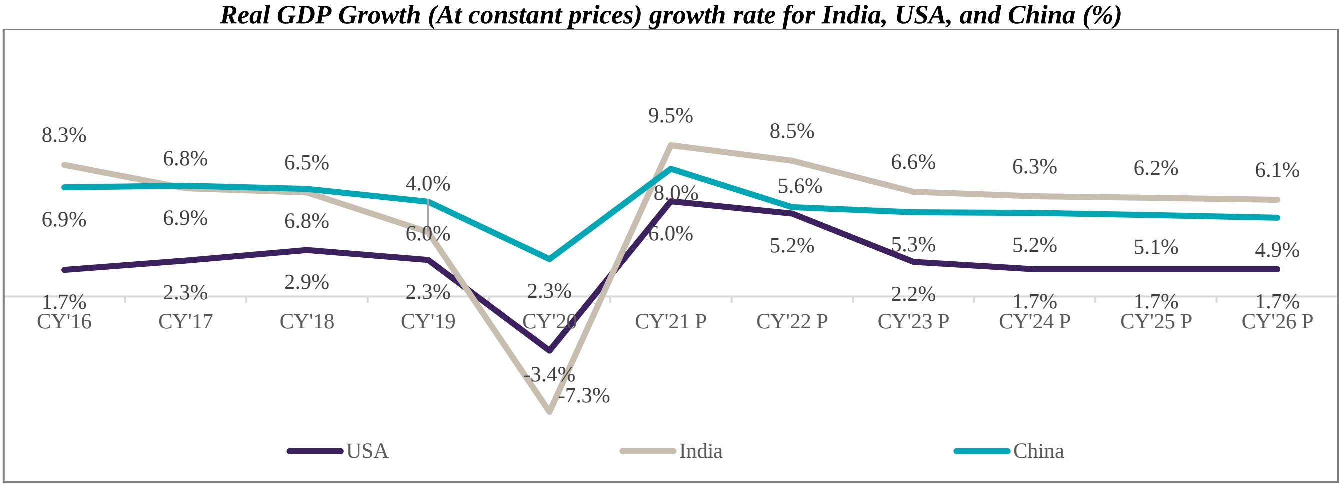
India has been witnessing a growth in gross domestic product ("**GDP**") of over more than 6% since 2016. However, due to the COVID-19 pandemic and lockdown restrictions on economic activity, GDP contracted by 7.3% in 2020. The pandemic and its subsequent lockdowns prompted supply chain disruptions that led to a decline in private consumption and investments. But economic growth is witnessing a V-shaped recovery, driven by pent-up demand for consumer and investment goods.

The Indian economy is gradually recovering from the impact of COVID-19, supported by several government policy measures, targeted fiscal relief and rapid roll-out of the vaccination drive across the country. In 2020, monetary easing, supportive financial regulation and fiscal support were deployed to counter the recessionary effects of the lockdown. The Reserve Bank of India ("**RBI**") has undertaken conventional and unconventional stimulus measures and stepped up to its role of being the monetary policy administrator.

In 2020, India's economy became the third largest in the world in terms of purchasing power parity adjusted GDP. Over the past three decades, India has been one of just 18 outperforming emerging economies to achieve robust and consistent GDP growth. While established advanced economies such as the USA and China will continue to dominate the global economy over the next 5 years, emerging markets including India will act as growth engines for the global economy.

As per the International Monetary Fund ("**IMF**") forecasts, India's GDP is expected to grow at 9.5% in 2021, faster than the GDP growth rate of the USA and China. As the economy stabilizes, India's GDP is expected to grow at 6-7% to reach USD 4,394 billion by 2026. Market trends such as increasing urbanization, rising incomes and demographic shifts coupled with a greater focus on health and safety are expected to accelerate the growth of the Indian economy from 2022 to 2026.

***Real GDP Growth (At constant prices) growth rate for India, USA, and China (%)***



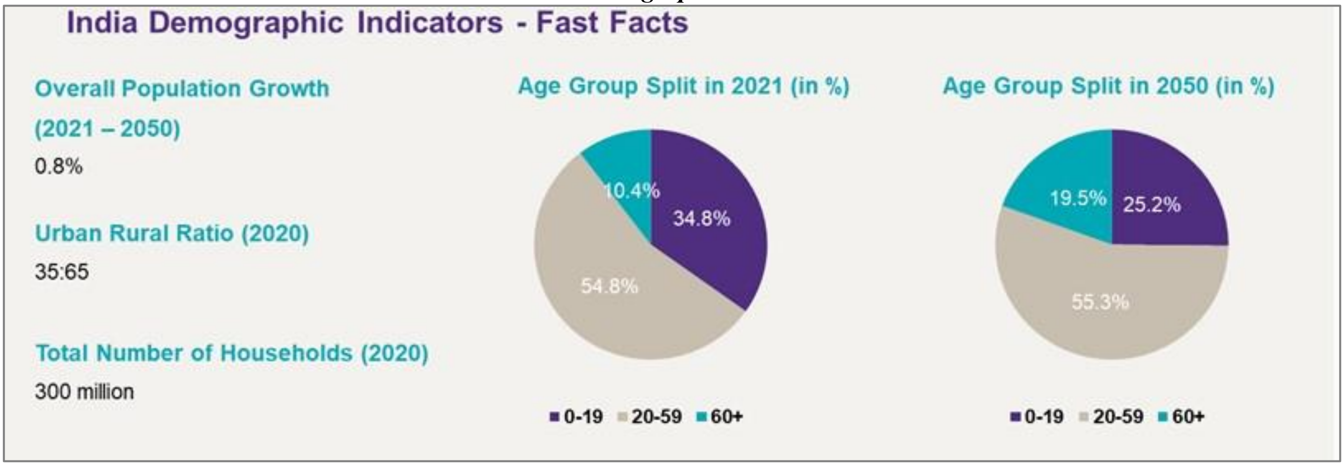

*Source: International Monetary Fund, GT Analysis*

***Key demographic indicators***

With a population of more than 1.3 billion, India is one of the world's largest economies. India has been touted as the next big economic growth story after China. One of the primary reasons for that has been its young population. It is expected as the young Indian population enters the working-age, it will lead to higher economic growth – a demographic dividend. The window began in 2018 when the working-age population (20 to 59 years) began to grow larger than its dependent population – children and people above 59 years of age.

India's demographic profile has begun to evolve in a way that is potentially more favourable to economic growth. Over the past decade, the country's economic growth has been accompanied by a proliferation in the working-age population. Also, urbanization is driving India's economic growth. According to United Nations' estimation, India's urban population of 483 million is projected to reach 877 million by 2050.

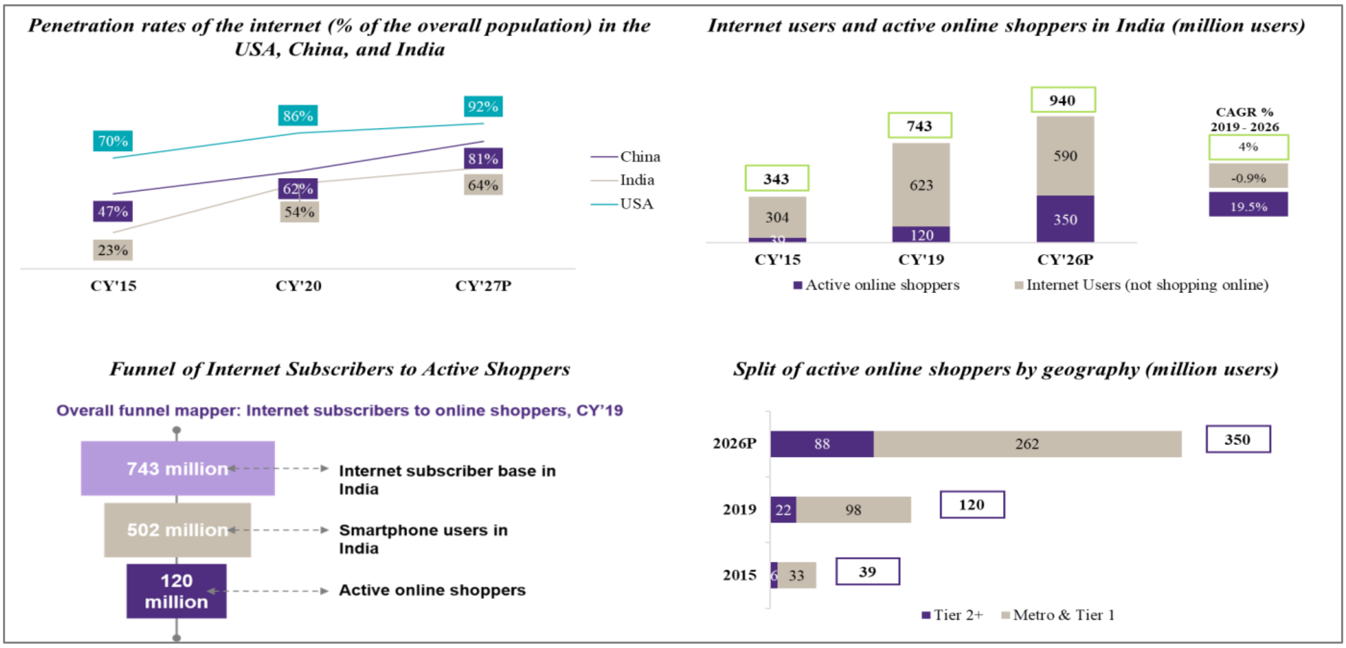
*India's demographic indicators*




*Source: United Nations India Population Projections; World Bank Rural population as a % of total population in India; India's Demography at 2040 Economic Survey 2018-2019 Volume 1, GT Analysis*

### *India's digital and e-commerce trends*

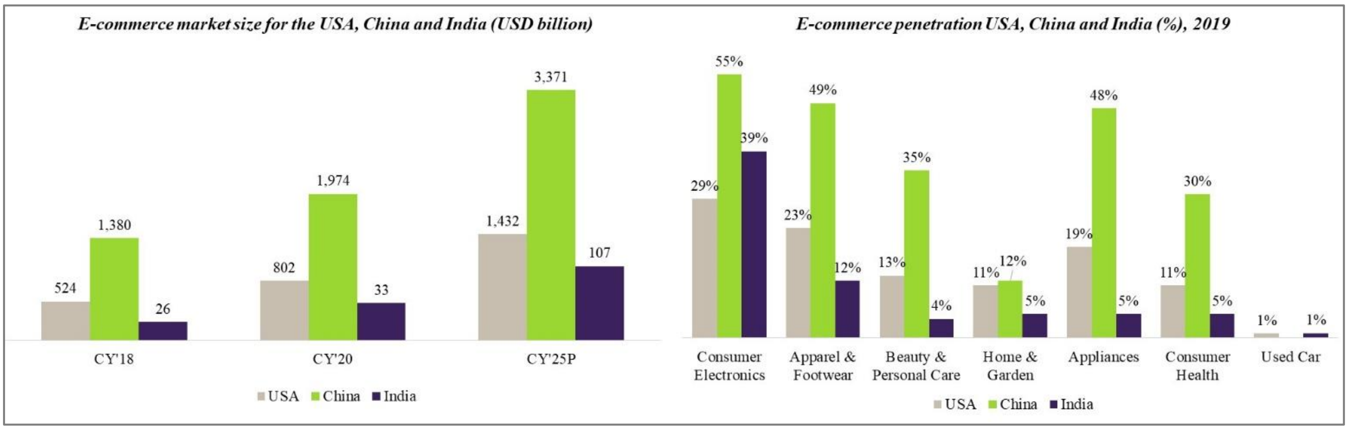
Over the past couple of years, internet penetration has steadily increased across the globe. Despite the internet's widespread use in India, a significant portion of the Indian population still isn't connected to the internet, signifying headroom for growth. Moreover, at present, only 20 to 25% of people who have Internet access are using online platforms for commerce, and this has been heavily skewed toward metro and Tier 1 consumers. However, active internet use in rural towns and Tier 3 and Tier 4 towns is gradually growing and is expected to increase sharply over the next five years.




*Source: GT Analysis*

### *E-commerce market historical and outlook*

E-commerce has transformed the way business is done across the globe. The Internet has been causing a secular shift for all major retail categories online. India is one of the fastest-growing markets for e-commerce in the world, driven by discounts, advances in logistics and growth in smartphone penetration/data usage. The Indian e-commerce market is expected to grow at a CAGR of 27% between 2020 to 2025 and is poised to emerge as one of the leading e-commerce markets in the world.



*Source: GT Analysis*

***Impact of COVID-19 on the e-commerce market in India***

In April 2020, the e-commerce industry in India suffered a decline in the number of orders placed. This was a direct consequence of the nationwide lockdown enforced in the last week of March 2020. However, online sales began to rise in the next few months, with over 20% in July that year as the gradual unlocking of the economy began.

**Structural shift in shopping behaviour:** The pandemic brought about a “structural shift” in shopping behaviour with a large number of customers and businesses relying on e-commerce. Consumers are now comfortable using online platforms, hence online purchases across different e-commerce platforms have witnessed a massive boost.

**Increased acceptance of digital payments:** The outbreak of COVID-19 has triggered an increase in the adoption of digital payments. While hygiene was the primary reason for the increase of digital payments, other factors like convenience, ease of use, acceptance, and incentives have given impetus to this adoption. The ongoing pandemic has brought a paradigm shift, as awareness and adoption of digital payments in Tier 2 and 3 cities have increased drastically.

**Rise in first-time users and increased focus on Tier 2 and 3 cities:** In India, the pandemic has led to a rise in the number of first-time online shoppers across age groups. For instance, in India, cash withdrawals have fallen sharply during the pandemic, while the use of UPI has risen dramatically. Currently, Tier 2 and beyond cities contribute around 17% of the total active online shoppers in India, and this is expected to increase to 26% by 2026.

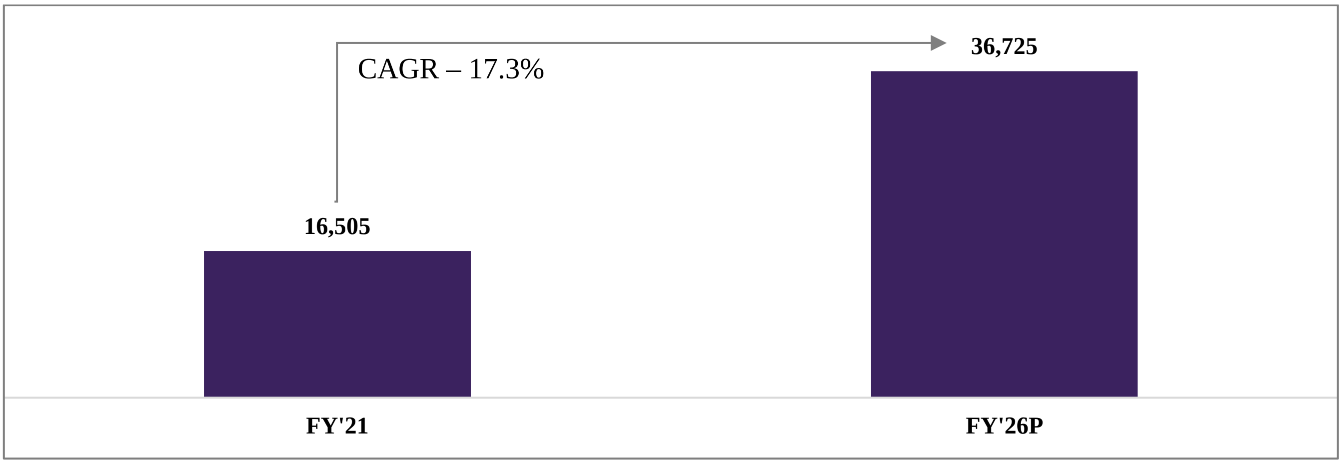
***Auto Market Landscape in India***

The automotive industry in India is a significant driver of macroeconomic growth and technological development, representing 7.1% of India’s GDP and contributing to 37 million employment generation in Fiscal 2021. Going forward, the government expects this to increase to 12% and employ 50 million people by Fiscal 2026.

India is currently the fifth-largest automotive industry and is expected to be the world’s third-largest automotive industry in terms of volume by Fiscal 2026, it will be propelled by demographic drivers such as rising disposable income, growing middle class, urbanization and a growing preference for personal mobility.

The automobile market in India is poised to grow at 17.3% CAGR from Fiscal 2021 to Fiscal 2026 to reach ₹36,725 billion by Fiscal 2026.

***Automobile market in India (₹ billion)***




*Sources: GT Analysis*

***Drivers for automobile demand in India***

*Increased Urbanization:* India is witnessing a sharp growth in urbanisation as economic activity is still concentrated in the urban pockets of the country. Globally, there exists a strong correlation between urbanization and vehicle demand. With increasing urbanisation, demand for vehicles is also expected to grow strongly.

*Favourable demographics and rising aspirations:* India has one of the largest youth populations that is entering the workforce. Increasing disposable income in India has resulted in higher aspirations, leading to a reduction in the average duration of ownership and higher demand for vehicles.

*Increasing women participation in the workforce:* Rising participation of women in the workforce has also led to increased demand for vehicles owing to the higher need for personal mobility.

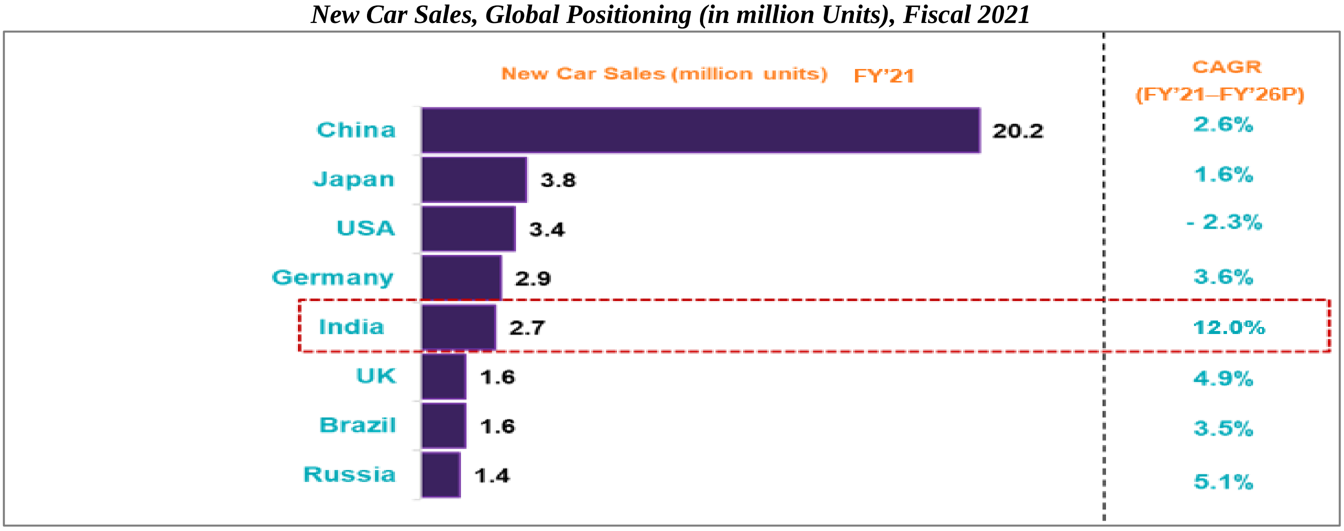
*Shift towards personal mobility:* Consumers are shifting away from using public transport and ride-sharing services due to increased focus on personal safety and hygiene. This trend is expected to continue to drive the demand for vehicles.

*Premiumization:* The increasing income levels has led to a shift in buyers' preference towards premium car categories like SUVs due to comparatively more space, better comfort, driving experience and manoeuvrability, compared to sedans or hatchbacks.

***New Cars Market***

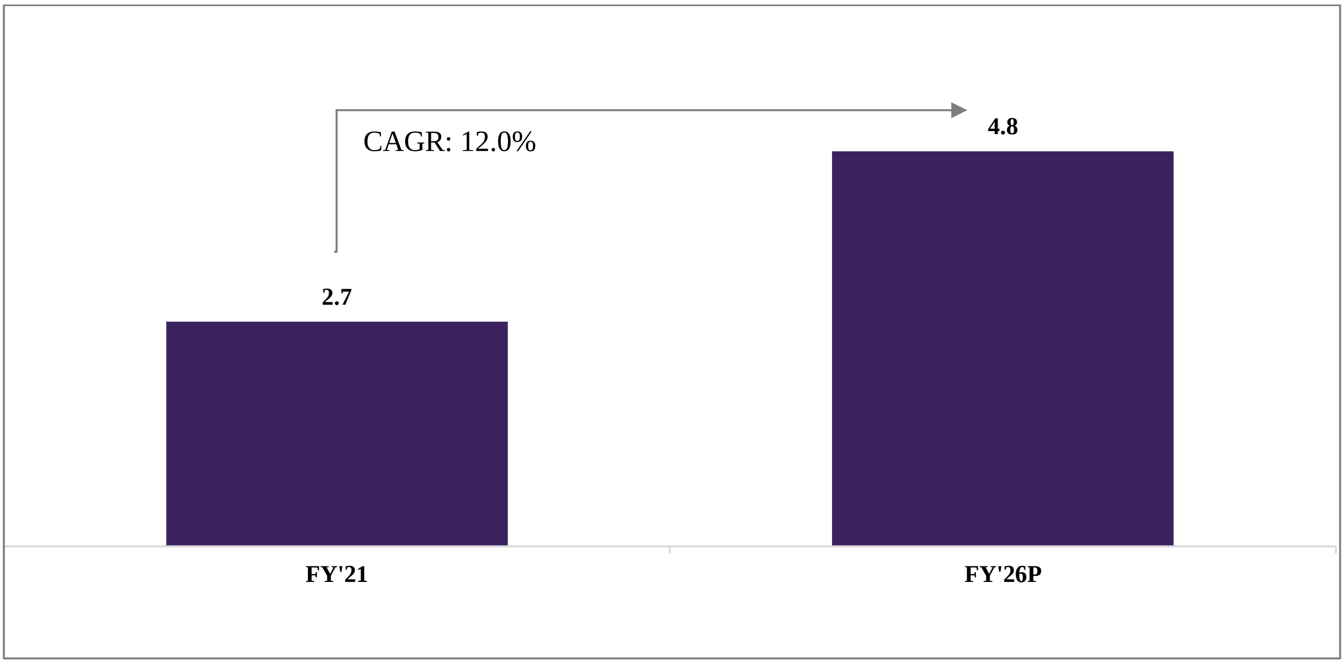
India is the world's 5th largest car market in the world by sales volume in 2020 and is expected to grow at the fastest rate among developing and developed nations, growing at a CAGR of 12.0% from Fiscal 2021 to Fiscal 2026.

***New Car Sales, Global Positioning (in million Units), Fiscal 2021***




*Note: Data for countries other than India refers to the calendar year period*
*Source: SIAM, Fitch, OICA, GT Analysis*

***New Car Sales in India (in million units)***

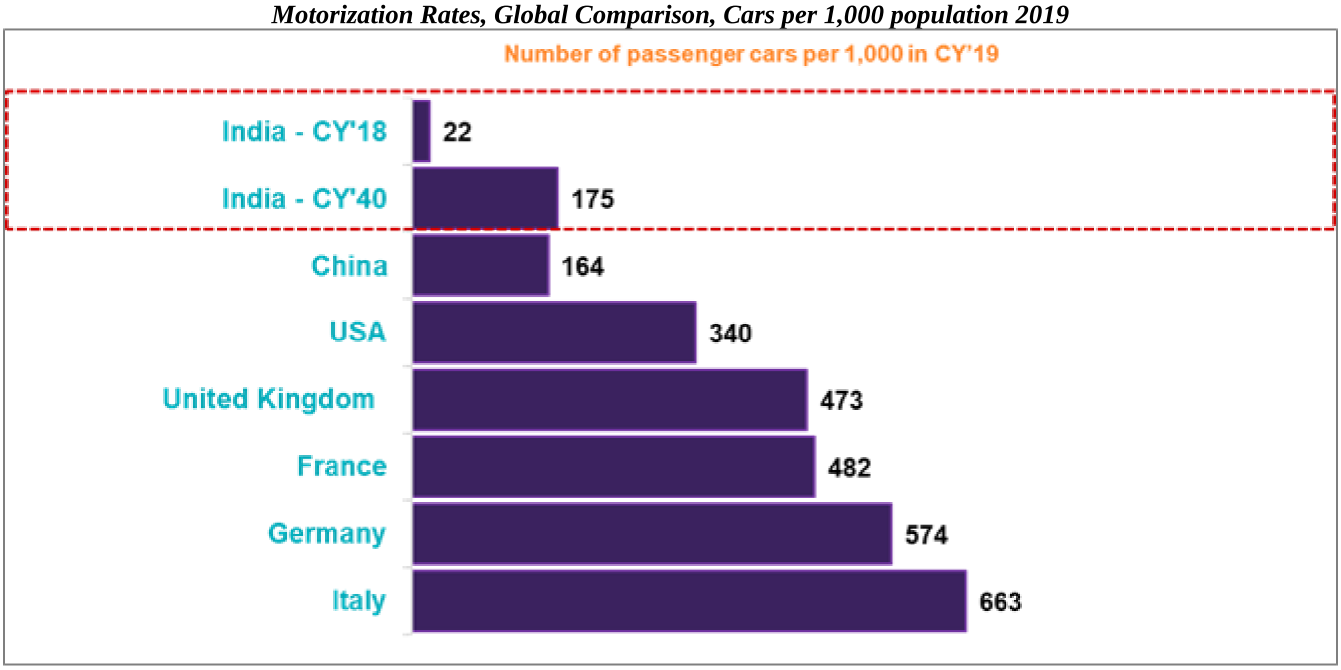



*Source: SIAM, GT Analysis*

The car market is expected to grow owing to a decrease in the average duration of ownership driven by increasing disposable income and higher aspirations. The replacement cycle of cars in India has gone down from 55 months in 2006 to 40 months in 2019.

Also, growth in India's motorization rate, which is currently one of the lowest in the world at approximately 22 cars on every 1,000 people in 2018, to approximately 175 cars on every 1,000 by 2040 to further drive growth.

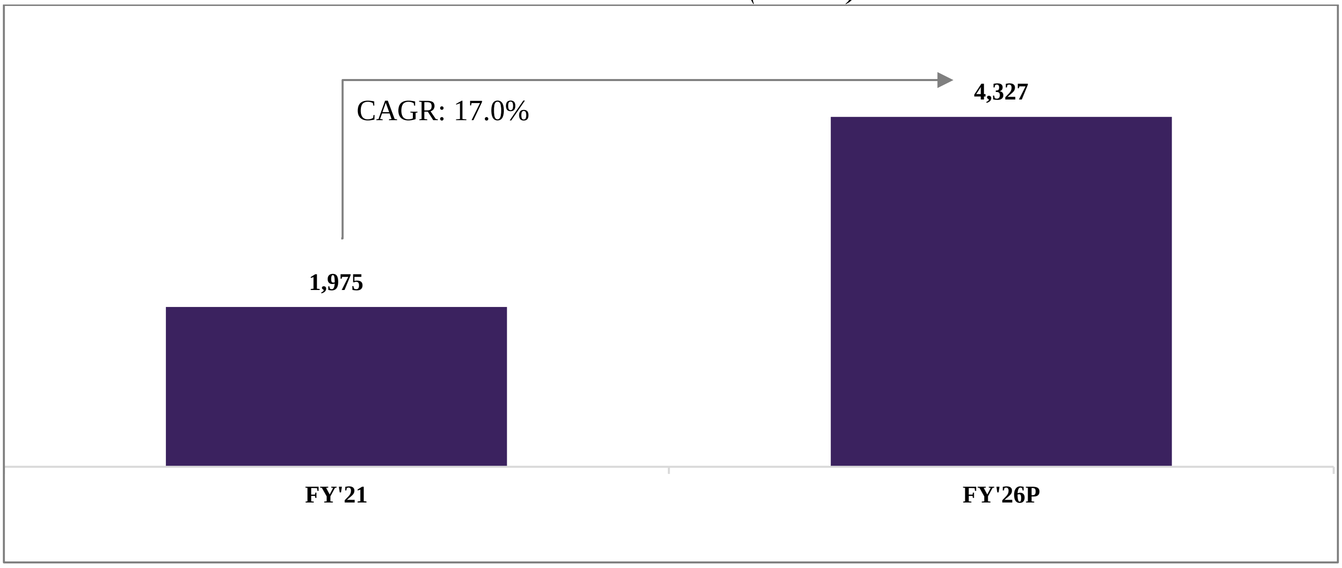
***Motorization Rates, Global Comparison, Cars per 1,000 population 2019***




*Note: For United States and United Kingdom, the Motorization rate is for 2018*
*Source: United Nations Economic Commission for Europe (UNECE), Eurostat, GT Analysis*

In terms of value, the size of the new car was valued at ₹1,975 billion in Fiscal 2021 and is expected to grow at a CAGR of 17.0% between Fiscal 2021 and Fiscal 2026 to reach ₹4,327 billion in Fiscal 2026.

***New Car Sales in India (₹ billion)***

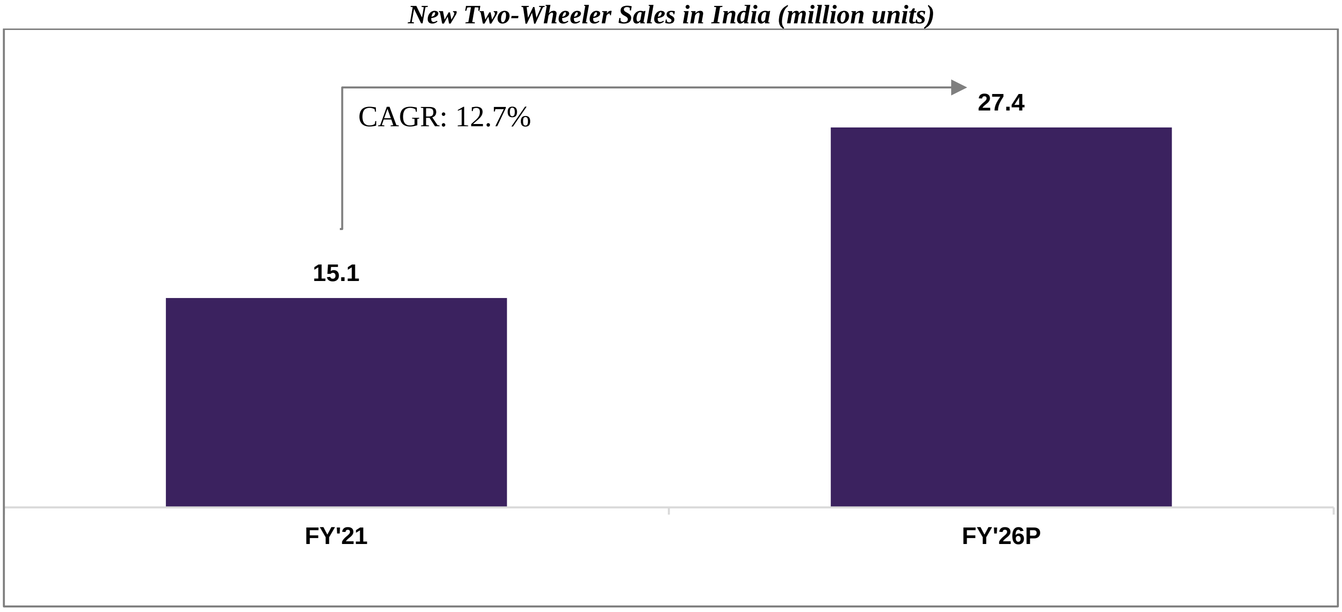



*Source: GT Analysis*

***New Two-wheeler market***

India is the largest manufacturer of two-wheelers in the world. Also, the two-wheeler is one of the largest segments of the Indian automotive industry with a volume share of 81.0% of total production in Fiscal 2021. The two-wheeler sales are forecasted to grow at a CAGR of 12.7% between Fiscal 2021 and Fiscal 2026 to reach 27.4 million units.

***New Two-Wheeler Sales in India (million units)***




*Source: SIAM, GT Analysis*

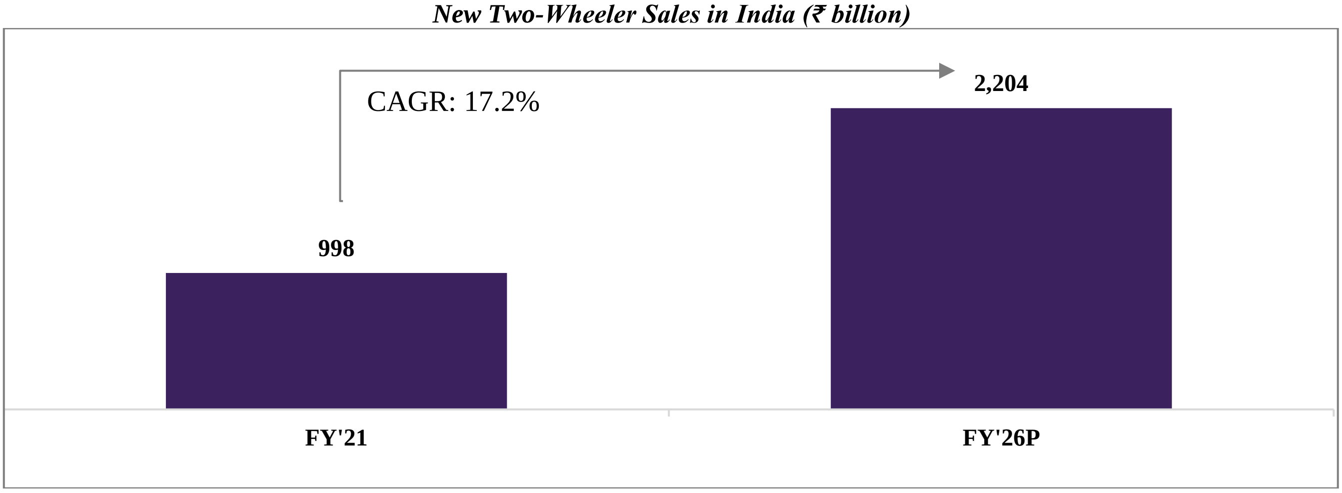
India, despite being the largest manufacturer of two-wheelers in the world, has one of the lowest penetration at 102 per 1000 people which is less than half the penetration levels in Indonesia and Thailand, hence providing a large untapped opportunity.

*Motorcycles and Scooters Penetration per 1,000 population 2018*


*Source: GT Analysis*

The new two-wheeler market was valued at ₹998 billion in Fiscal 2021 and is expected to grow at a CAGR of 17.2% between Fiscal 2021 and Fiscal 2026 to reach ₹2,204 billion in Fiscal 2026.

*New Two-Wheeler Sales in India (₹ billion)*

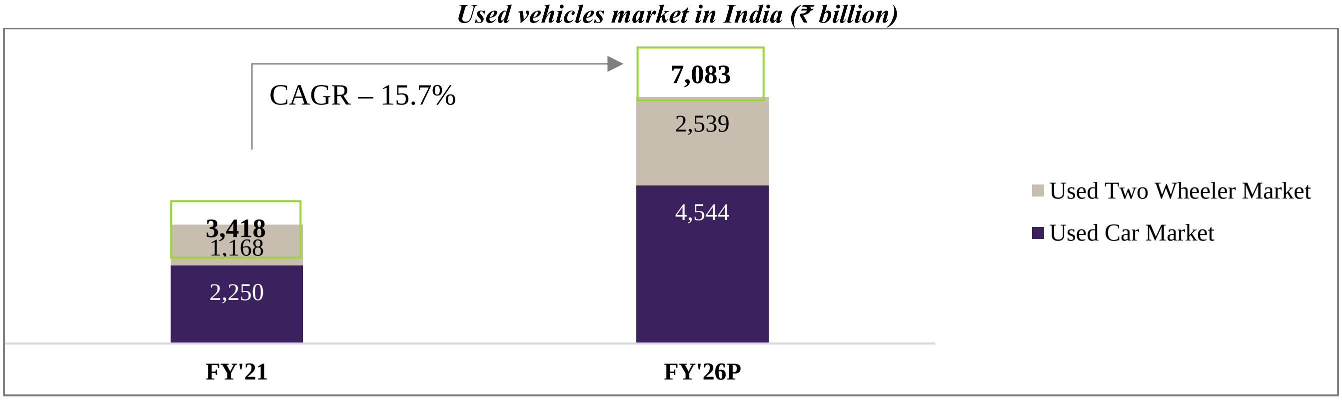



*Source: GT Analysis*

***Used Vehicles Market***

The used vehicle's market is expected to reach ₹7,083 billion by Fiscal 2026, growing a CAGR of 15.7% from Fiscal 2021. With people shifting more towards personal mobility as compared to public transport after the onset of the pandemic, the demand for used vehicles has increased as they offer a lower cost of ownership. Further, faster replacement cycles of the vehicles among consumers have pulled up both the demand and supply for used vehicles.

*Used vehicles market in India (₹ billion)*




*Sources: GT Analysis*

The growth drivers for the used vehicle market are:

*Growth of the organized sector:* With the emergence of an organized sector, the demand for used cars has witnessed a rise, owing to the improved quality standards for buying and selling used cars. Furthermore, convenience, price transparency and ease of vehicle discovery have enabled the supply of better-quality vehicles. Also, the inspection process deployed has led to the supply of quality and certified vehicles in the market, further driving the demand for used vehicles.

*Rise of online platforms:* The rising penetration of online platforms in the used car market has enabled dealers to boost their reach for a larger audience.

*Reduced ownership duration of new vehicles and GST rates:* Reduced first ownership period of vehicles is also responsible for the rise of the used vehicle industry. Another key growth driver of the used vehicle market is the revision of the GST rate on used cars from 28% to 12-18%.

*Increasing financial penetration:* Several lenders have turned toward funding used cars to increase their footprint and protect their margins. The used car finance penetration stood at 17% in 2019 and is estimated to increase to 21% in 2021 and further increase to 35% in 2025.

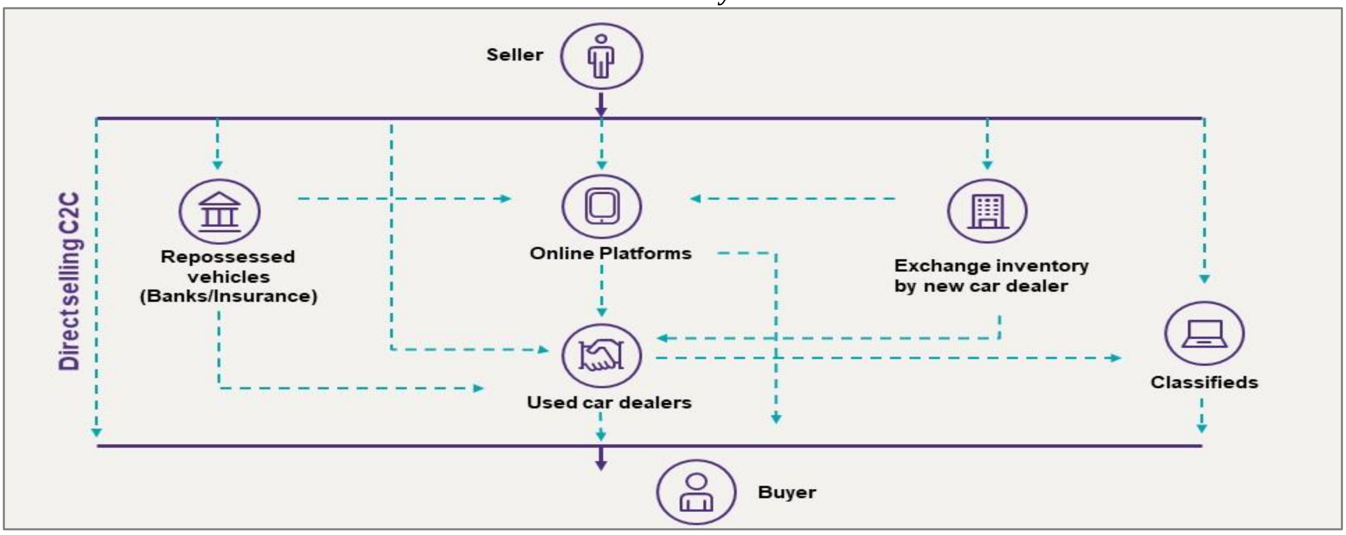
*Favourable government initiatives:* In Sep 2021, the Ministry of Road Transport and Highways (MoRTH) introduced the Bharat series (BH) number plates for vehicle registration to make the inter-state vehicle transfer hassle-free. Earlier, a no-objection certificate (NOC) was to be obtained from the current state and then the vehicle would need to be re-registered in the next state where the vehicle would be relocated. The new regulation is likely to increase the sales of used cars by allowing the seamless transfer of vehicles from one state to another.

*Increased demand for used luxury cars:* Many affluent buyers have started selling or exchanging luxury cars as it has become more convenient and accessible to use these services. The high rate of depreciation value of the luxury cars, the fast-growing base of the young population, increasing disposable income of the consumers and rapid urbanization are some of the major factors driving the growth of used luxury cars.

***Used Vehicles Value Chain***

The entire automotive ecosystem in India is highly unorganised, fragmented, and complex. A used vehicle can move from a seller to an end buyer via multiple channels. Online platforms play an important role across the value chain by connecting different stakeholders across the stages of the transaction, as shown in the figure below.

***Used Car ecosystem***



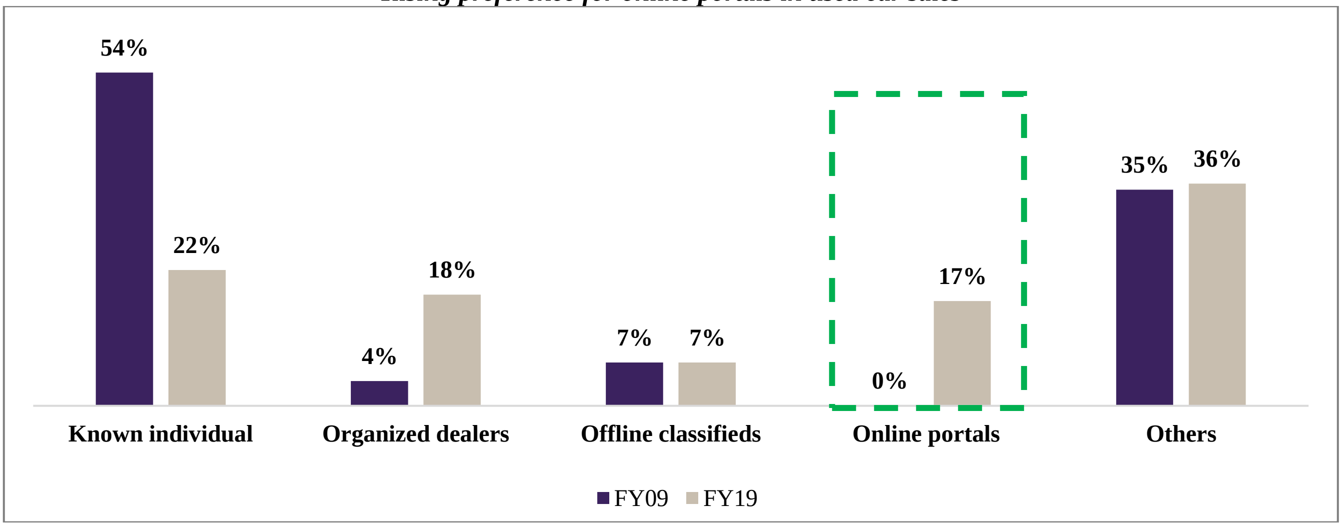

*Source: GT Analysis*

***Emergence of Online Platforms***

The entire vehicle purchasing journey is undergoing digital transformation, from pre-buying browsing and researching to pricing comparison, finding a dealer, financing options, value-added services and purchase. Similarly, the customer's process of selling their vehicles is also becoming increasingly digital, from online pricing discovery to the identification of possible buyers and dealers, auctioning processes, payments and post-sale processes.

Moreover, customers are increasingly pivoting towards online channels to conduct their used car purchases. As of Fiscal 2019, approximately 17% of unit sales were initiated by online portals compared to 0% a decade ago.

***Rising preference for online portals in used car sales***




*Source: GT Analysis*

***Existing Models in Used Vehicles Market***

Traditionally, pure classifieds and discovery-based platforms dominated the online used automobile market. However, the market is now shifting towards transaction-based models, which provide significant added value for both dealers and end-users, as well as a stronger monetization path for the platform. The trend is evident in the way even the classifieds and discovery-based platforms have launched transaction-based product offerings.

***Business models in the used vehicles market***

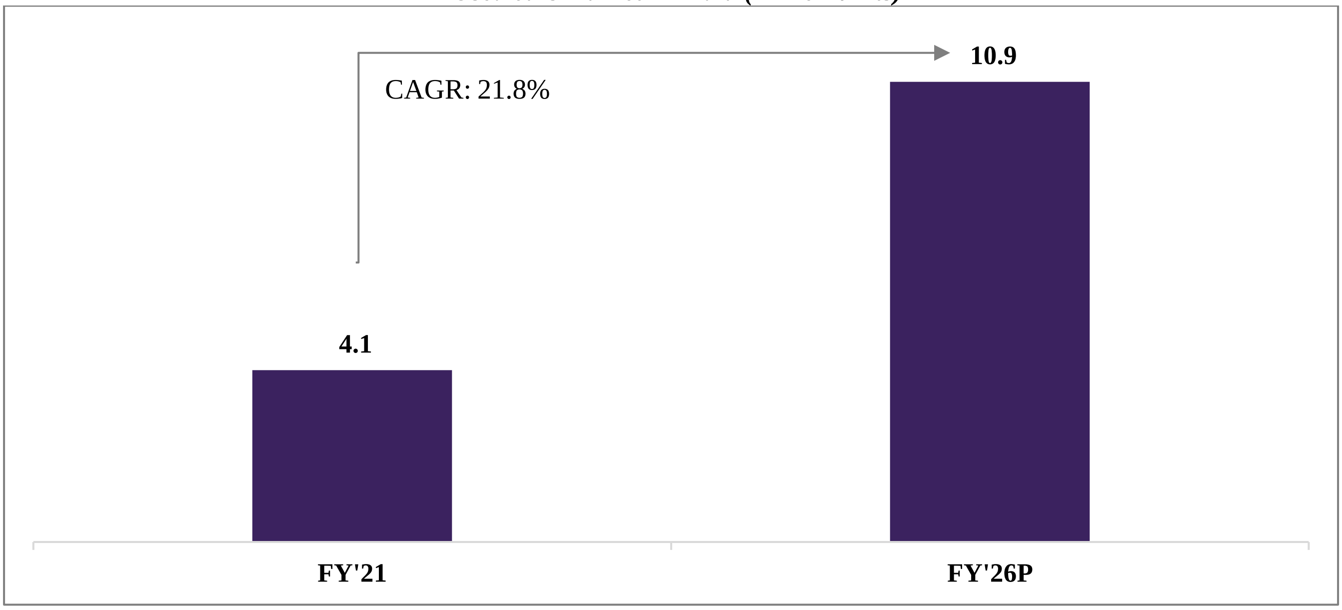
| Business Models | | | | Key Examples |
|---|---|---|---|---|
| NON-TRANSACTIONAL | TAM – INR 10 billion | Pure Classifieds | **Model explained:** Customers/dealers list products on the platform. A fee is charged for premium listings to show up in searches, figure prominently on the portal, etc.<br>**Key revenue streams:** Listing fee, subscription fee, advertisements | • Quikr<br>• OLX |
| | | Classified + Product Discovery | **Model explained:** This model is an upgrade over pure classifieds models where the portal provides information (features, specs, score on various dimensions, etc.) on cars that aids decision making<br>**Key revenue streams:** Listing fee, subscription fee, advertisements | • CarDekho<br>• Carwale |
| TRANSACTIONAL | TAM – INR 16,505 billion | Ecommerce | **Model explained:** This model relies on transactions as opposed to leads. Online firms make a cut on the transaction value. The take rate (margin) varies from 2% upto 15% in some cases.<br>**Key revenue streams:** Commissions, value-added services | • Droom |
| | | Physical retail | **Model explained:** This model brings together used car dealers/brokers on a single platform, where they bid for products offline and online. The competition between dealers leads to a better price discovery.<br>**Key revenue streams:** Commissions, valued-added services | • OLX Cash My Car<br>• Spinny<br>• Cars24<br>• Shriram Automall<br>• CarDekho Gaadi Store<br>• CarTrade.com |

*Source: GT Analysis*

***Used Cars Market in India***

The used cars market in India is expected to grow from 4.1 million units in Fiscal 2021 to reach 10.9 million units by Fiscal 2026 at a CAGR of 21.8%. With the increasing acceptance towards the purchase of used vehicles there exists a significant potential for growth.

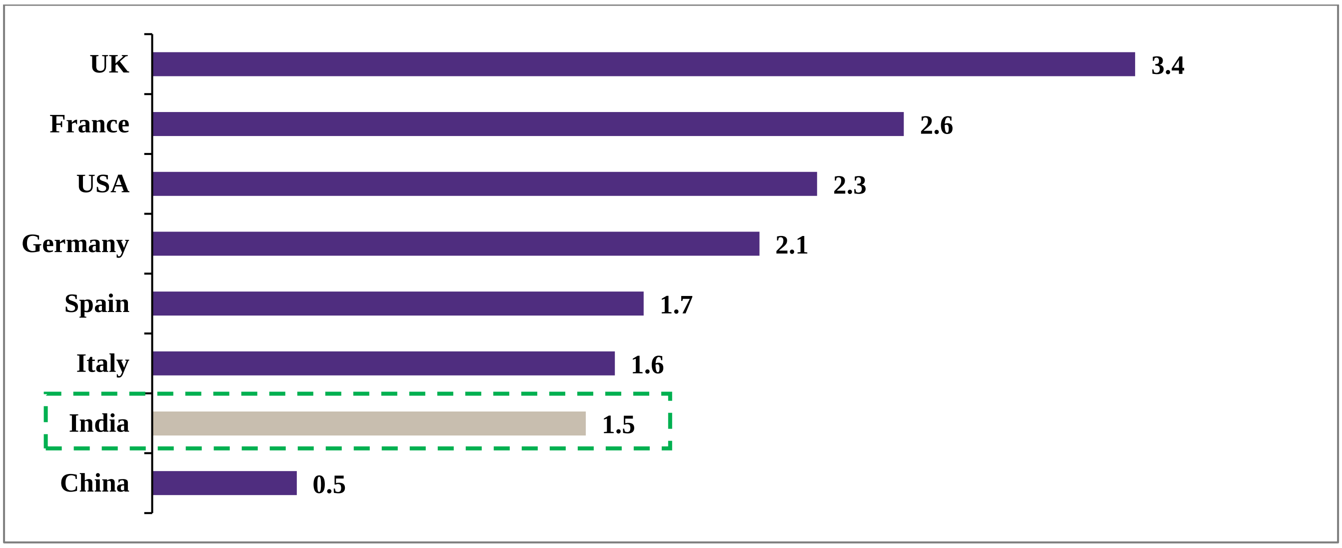
***Used cars market in India (million units)***




*Sources: GT Analysis*

At 1.5, India has one of the lowest used-to-new car ratios globally as of Fiscal 2021. In developed countries like UK and USA, it stands at 3.4 and 2.3 respectively.

***Used to new car ratio***




*Sources: GT Analysis*

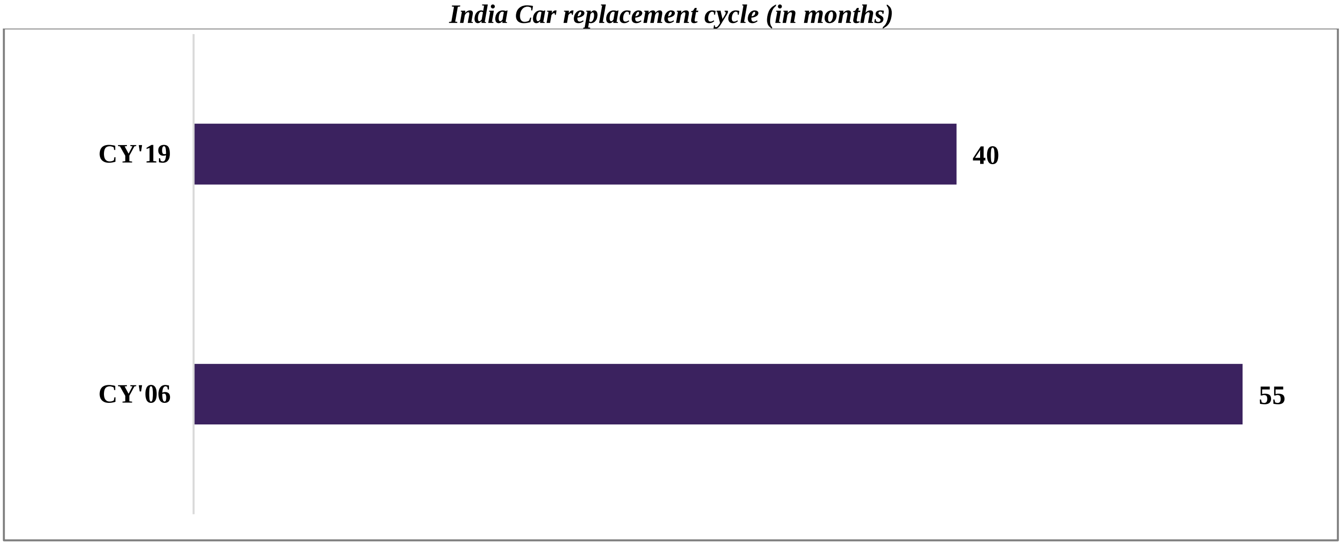
India is on the cusp of maturing stage and used to new car ratio is expected to increase to 2.28 in Fiscal 2026, growing at a CAGR of 8.8% between Fiscal 2021 and Fiscal 2026. This increase in ratio signifies a significant potential for the used cars industry.

*Used to new car ratio*


*Sources: GT Analysis*

The growth in the cars market is also driven by the declining replacement cycle of cars which has dropped from approximately 55 months in 2006 to approximately 40 months in 2019. The increase in demand for cars is further driven by the rising middle class, frequent relocation of the working population in metros, and rising demand in Tier 2 and beyond cities.

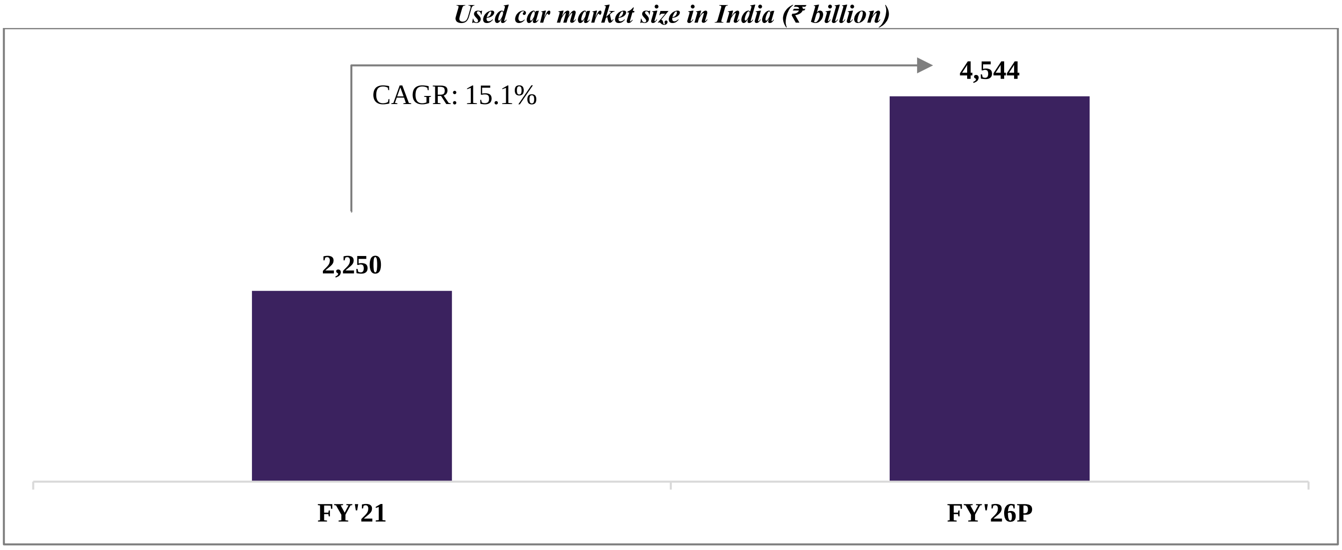
*India Car replacement cycle (in months)*




*Source: GT Analysis*

The used car market in India was valued at ₹2,250 billion in Fiscal 2021 and is expected to grow to ₹4,544 billion by Fiscal 2026, growing at a CAGR of 15.1 % from Fiscal 2021.

*Used car market size in India (₹ billion)*

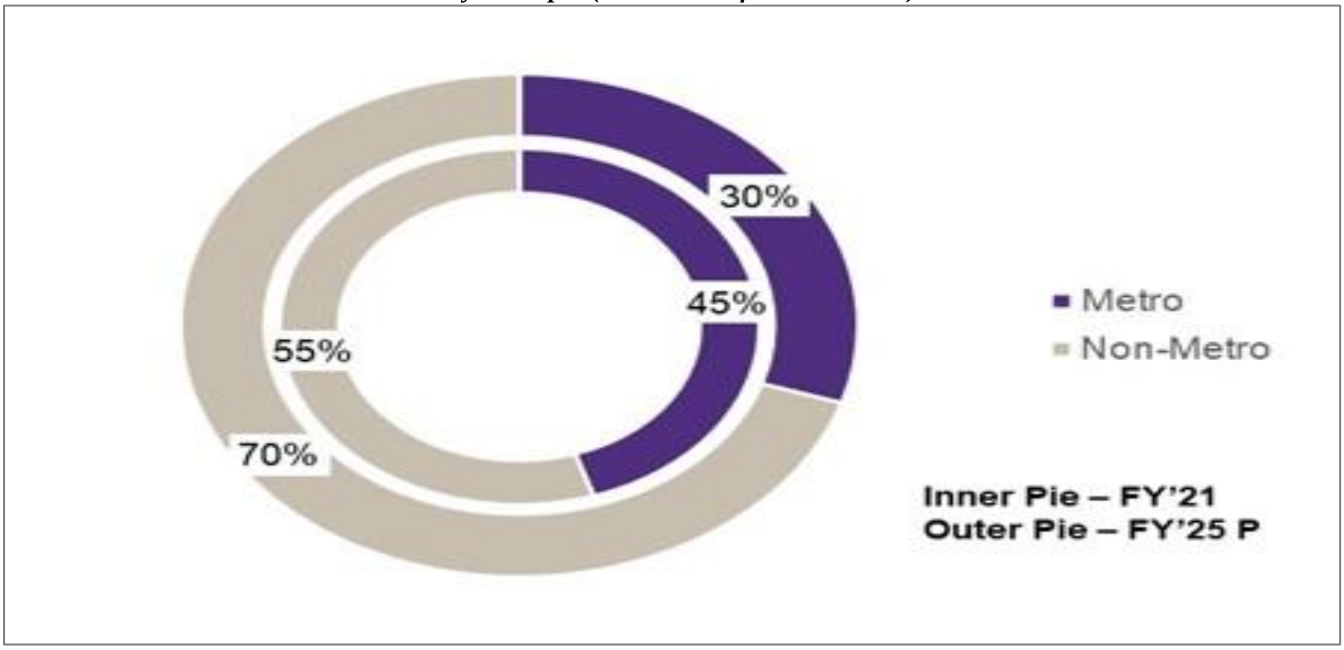



*Source: GT Analysis*

***Geographical distribution of the used car market in India***

In India, Tier 1 and 2 cities have always been a strong market for used cars. The growing presence of organized dealers is expected to drive the demand for used cars across the country, especially in the urban markets. However, tougher emission norms and growth of shared mobility services, including public transportation, is expected to affect the share of used cars in metro cities.

***City Tier Split (as % share of used car sales)***

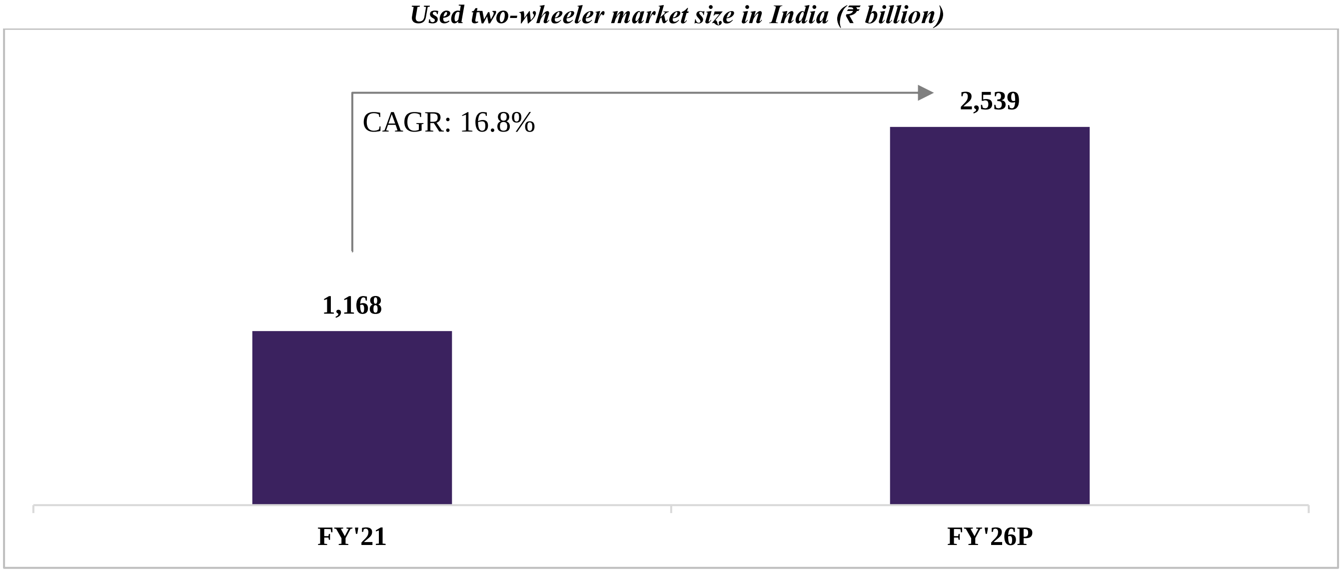



*Source: GT Analysis*

***Used Two-Wheeler Market in India***

The used two-wheeler market was valued at ₹1,168 billion in Fiscal 2021 and is expected to grow to ₹2,539 billion by Fiscal 2026, growing at a CAGR of 16.8%. The availability of easy finance options and more women opting for personal transport are the key drivers behind the growth of used two-wheelers in India. The replacement cycle for two-wheelers has come down from 7-8 years to 3-5 years in a decade. Further, the growth of this segment is also driven by the rising aspirations of Indian consumers, frequent launches of two-wheelers which have led to a greater supply of used vehicles in the market.

***Used two-wheeler market size in India (₹ billion)***



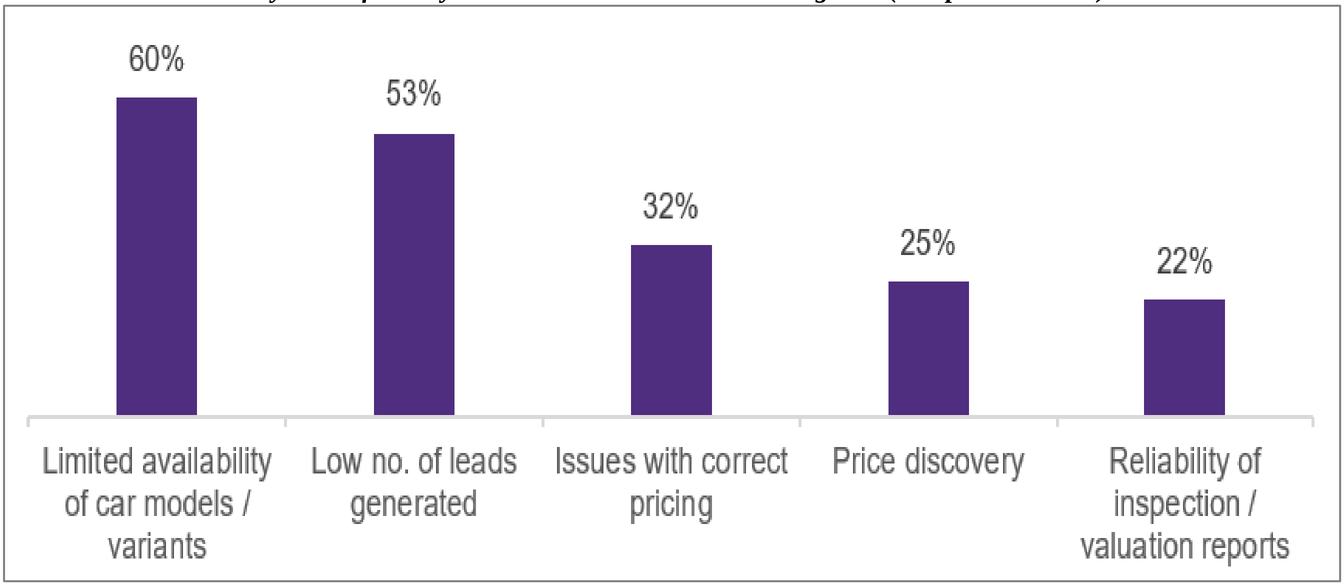

*Sources: GT Analysis*

***Issues faced by dealers in India***

Despite several opportunities in used passenger car sales, dealers face issues in sourcing. 60% of local used car dealers face issues with limited availability of car models/variants and 53% of dealers face challenges due to low volume of leads generated. The economics of dealerships depend largely on sales volume, gross margin, and customer acquisition efficiency. Traditional marketing channels, including television, radio, and newspaper can effectively target locally but are inefficient in reaching the small percentage of consumers who are actively in the market to buy a car. Customers on online portals are in-market customers and therefore of great value to dealers.

In addition, limited information on vehicle buyer preferences in local areas has also been another cause of inefficiency in the vehicle sourcing process. Dealers who end up with "unwanted stock" (i.e., the stock that is not in demand in the local area) can turn to auction houses to dispose of them, generally meaning that they sell at trade, rather than retail price, which typically results in a lower price and hence lower margins, in exchange for improved inventory turnover.

***Key issues faced by local used car dealers in sourcing cars (Sample Size – 192)***




*Source: GT Survey*

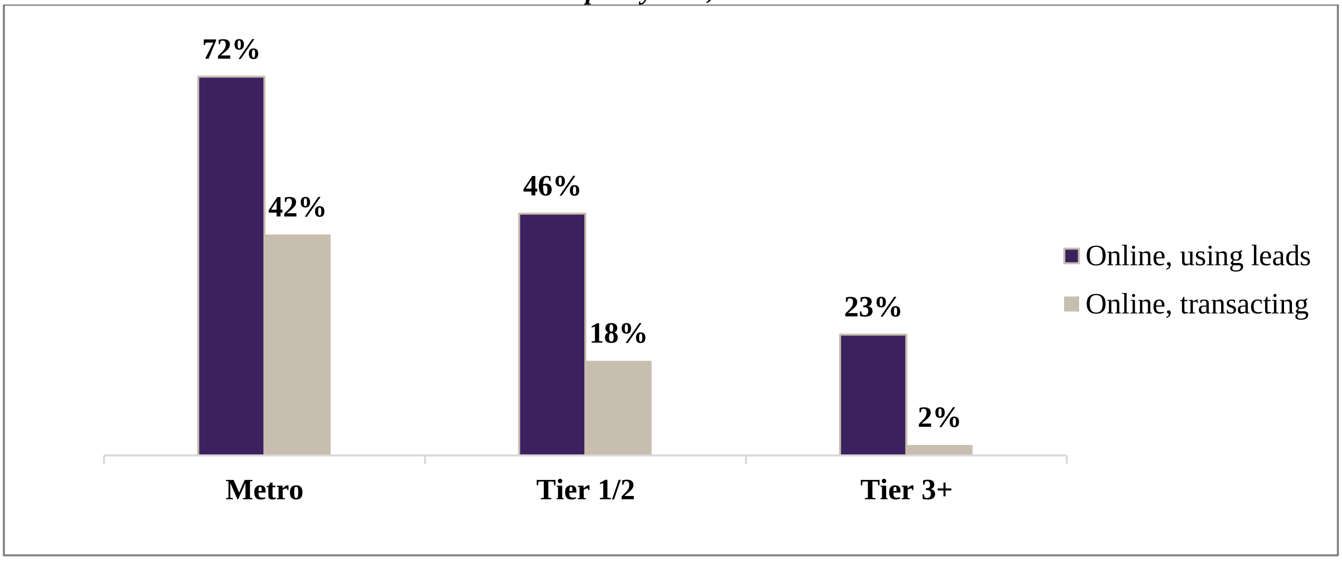
Aside from sourcing issues, dealers also incur higher operating costs such as inventory and associated infrastructure costs. As per primary interactions, the average inventory maintained by a mid-sized local dealer range from 18-30 used cars with an average inventory cost of ₹15 million. This is financed either through their own funds or is funded through working capital loans which range from 7%-10%. The dealers also need to incur the real estate cost to maintain this fleet of used cars. On average, dealers maintain an area of 200 square feet - 1,200 square feet with them that incurs them a monthly cost of ₹20,000-125,000. The average employee headcount for a dealer range from 2-10 with an average salary of ₹20,000- 25,000. In terms of the marketing costs, a monthly subscription fee of ₹2,000-10,000 is incurred by the dealer to get listed on classified platforms.

Due to market characteristics such as expensive real estate, high cost of capital, low-trust market, inadequate enforcement of consumer protection laws, absence of large-format modern retail and an unorganized market with a fragmented seller base make the operation of physical automobile dealerships with inventory less viable.

The online B2C platforms have increased the number of buyers that the dealer can sell their inventory to via online classifieds and third-party websites and ensure that there is high inventory turnover which frees up the working capital to acquire more used cars.

Transaction based models have been successful in onboarding approximately 25% of dealers base and are all set for multi-year growth led by deeper penetration and increasing wallet share. In Fiscal 2019, 42% of dealers in metros had already boarded transaction-based models while there exists significant room for expansion in Tier2/3 cities. This has further increased in FY'21 as dealers moved to online platforms during COVID-19 led lockdowns as more and more people started transacting online.

***Dealer split by tiers, Fiscal 2019***



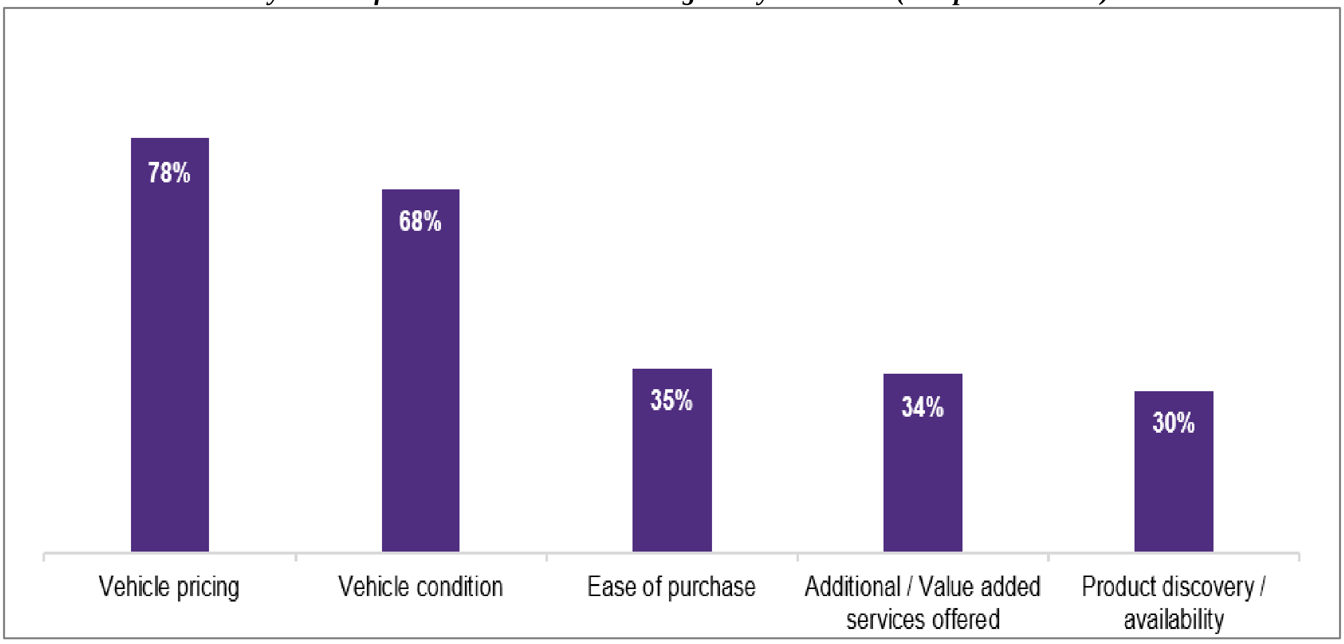

*Source: GT Analysis*

***Customer criteria for channel preference in the used car market***

As per Auto Gear Shift India Report", Google, 2020, when buying a used car over 90% of buyers use online channels across their purchase decision, including for discovery, research, pricing comparison and value-added services. 94% of the used car buyers research online while 100% of used car sellers research online. 70% of the used car buyers and sellers discover their dealer online through search engines, dealer websites and brand websites.

When buying a used car, vehicle pricing and vehicle condition are the most important factors for customers, as shown in the figure below.

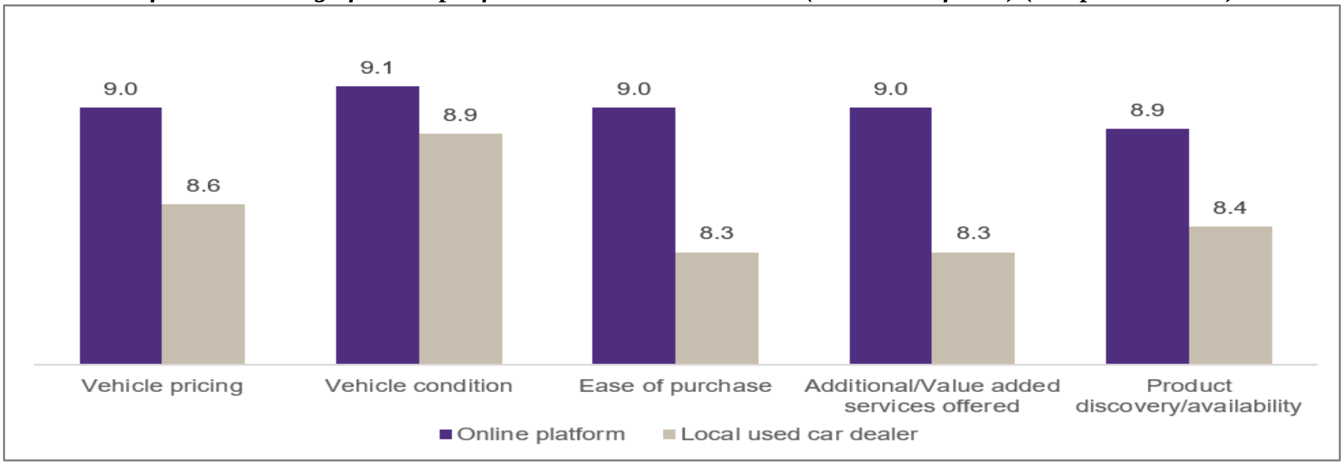
***Key criteria for customers when choosing to buy a used car (Sample Size - 297)***




*Source: GT Survey*

Online platforms are rated higher than offline platforms across all parameters, particularly for ease of purchase and additional/value added services, as shown in the figure below.

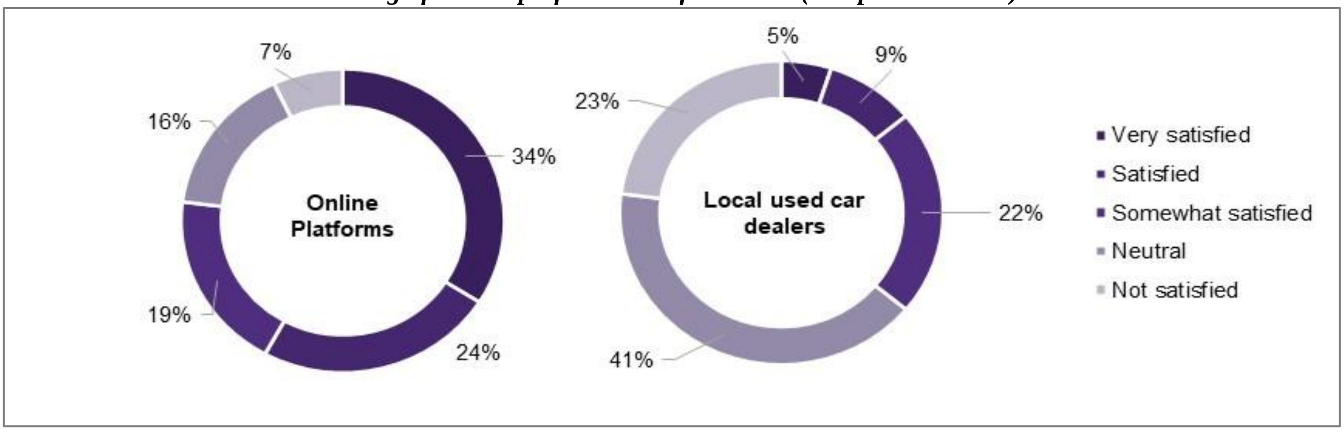
*Performance rating of online platform vs local used car dealer (on a scale of 1-10) (Sample Size - 297)*




*Source: GT Survey*

With more customers preferring online channels when purchasing or selling a used passenger car, these online channels see a better service performance rating when compared to offline channels. As per a GT survey, 34% of the respondents are very satisfied with the service performance of online platforms while only 5% are very satisfied with the local used car dealers.

*Rating of service performance of channels (Sample Size – 297)*

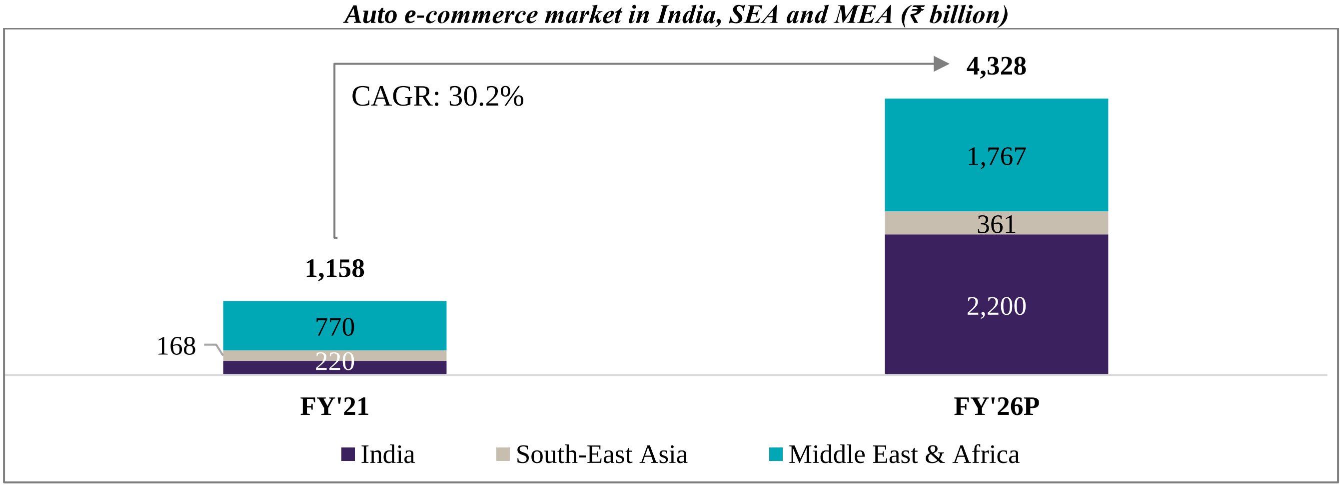



*Source: GT Survey*

***Total Addressable Market (TAM) – Auto E-commerce in India, South-East Asia (SEA) and the Middle East & Africa (MEA)***

The auto e-commerce market in India, SEA, and MEA stood at ₹1,158 billion in Fiscal 2021 and is expected to grow at a CAGR of 30.2% to reach ₹4,328 billion by Fiscal 2026.

*Auto e-commerce market in India, SEA and MEA (₹ billion)*



*Note: Data for South-East Asia and the Middle East & Africa is for 2020 and 2026, and only includes the online vehicles market; Exchange rate for FY'26: 1 USD = ₹73.61*
*Source: GT Analysis*

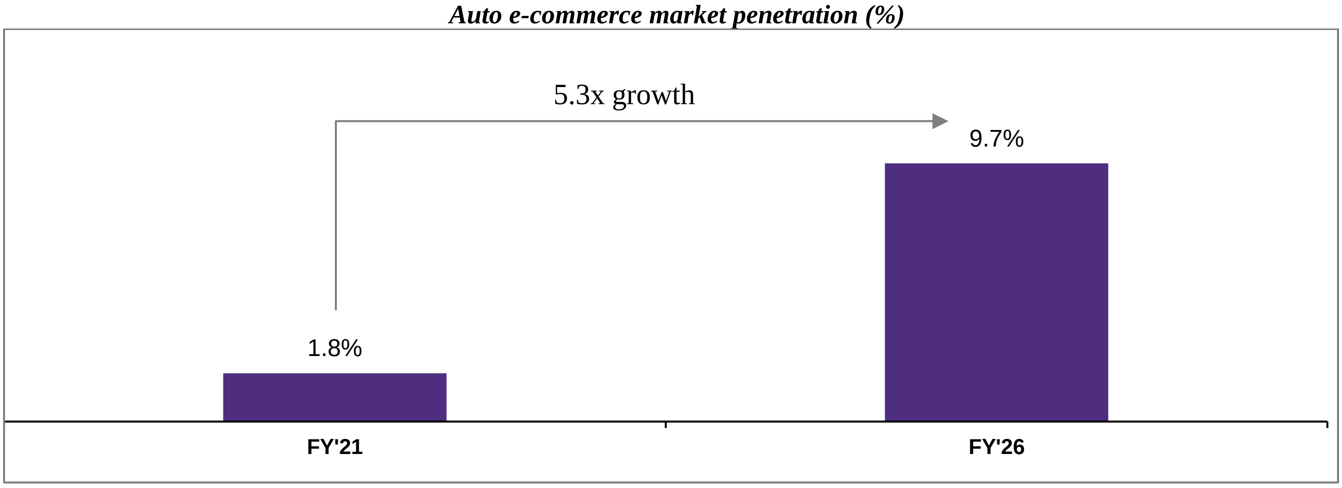
***Auto E-commerce Market in India***

The Indian auto e-commerce market is estimated at ₹220 billion in Fiscal 2021. This is expected to grow at a CAGR of 58.5% over the next five years to reach ₹2,200 billion in Fiscal 2026. COVID-19 has further accelerated the digitization trend of the Indian auto sector. Growing comfort with digital channels has significantly reduced the need for physical interaction and simultaneously has increased the ability of the customers to evaluate a much larger universe of automobile choices than would otherwise be possible. Amidst evolving consumer needs and strong digitisation drivers such as increasing internet penetration, smartphone adoption and growth of e-commerce, the Indian automotive industry is ready for digital disruption.

In Fiscal 2021, the share of auto e-commerce to total auto market was estimated at 1.8% and this is expected to grow by 5.3x to 9.7% by Fiscal 2026.

*Note: For purpose of calculating auto e-commerce penetration, we have considered the auto market to include new vehicles, used vehicles, auto loans, auto insurance, aftermarkets and excludes auto components. Auto e-commerce market includes new vehicles, used vehicles, online used auto loans and online auto insurance*

***Auto e-commerce market penetration (%)***




*Source: GT Analysis*

Whilst most auto e-commerce players have a hybrid model, with their online presence backed by physical stores, Droom is the only major player offering completely online end-to-end offerings.

**Drivers of auto e-commerce market:**

- Convenience
- Greater readiness to use online services
- Price Comparison
- Expert and user reviews
- Comprehensive specifications, photos and videos

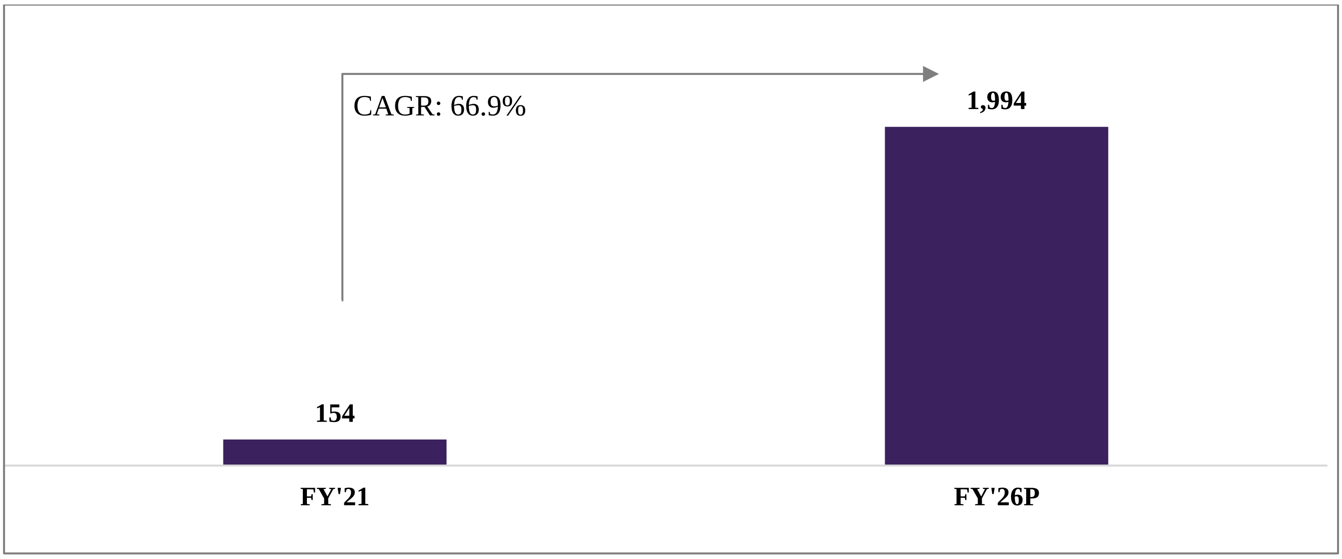
**Impact:**

- Online platforms are witnessing a 36% increase in traffic year-on-year (Sep'19 vs Sep'20)
- Companies in online trade space have witnessed a 175% surge in inquiries for used cars in 2020
- 146% rise in car-loan leads through online platforms (Sep'19 vs Sep'20)
- In 2020, ~94% of used-car buyers research online to buy or sell their vehicle

***Used Vehicles E-commerce Market***

The Indian online used vehicle market was valued at ₹154 billion in Fiscal 2021 and is projected to reach ₹1,994 billion by Fiscal 2026, registering a CAGR of 66.9% mainly on account of the shift in customers' preference towards personal vehicles owing to an increased focus on health and hygiene in response to COVID-19. Moreover, due to the uncertain economic environment post-COVID-19, used vehicles are witnessing even stronger demand.

*Used vehicles e-commerce market (₹ billion)*

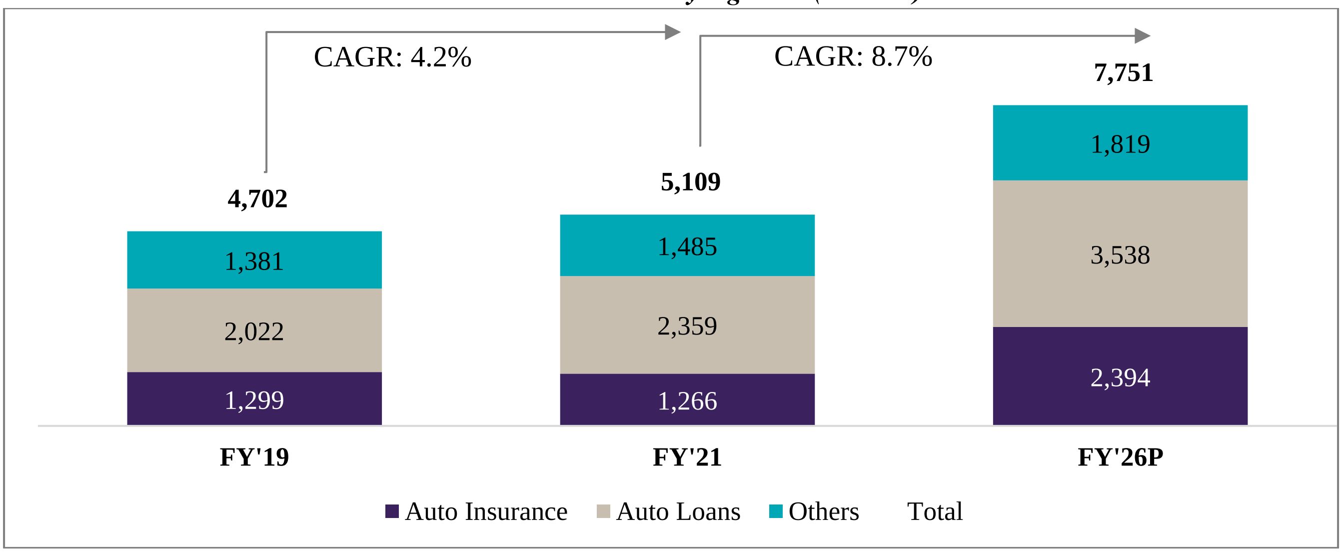



*Source: GT Analysis*

***Auto Services Market in India***

The automobile service market includes auto loans, insurance, and other services. In Fiscal 2021, the auto loan segment accounted for 46.2% of the total auto services and auto insurance accounted for 24.8%.

*Auto Services Market by segments (₹ billion)*

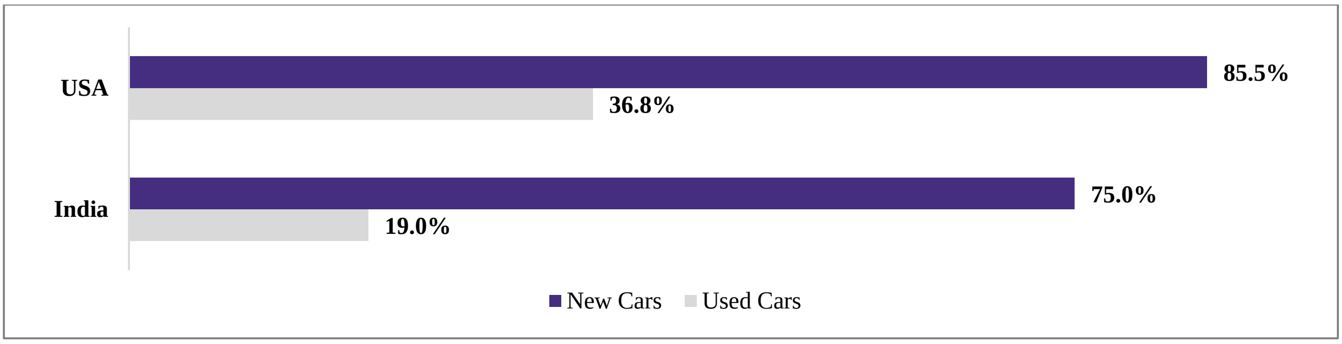



*Source: GT Analysis*

***Auto Loans Market***

India is a large market for auto loans with ₹2,398 billion of vehicle loans were outstanding as of Fiscal 2021, as per RBI. In India, 75-80% of new cars are purchased with an auto loan while approximately 100% of commercial vehicles are bought with a loan. Auto loan penetration for new two-wheelers is lower at 50-60%. The vehicle loan market in India is expected to witness strong growth until Fiscal 2026 on account of growing disposable income and increasing ownership of vehicles. The auto finance market is a key enabler of growth for the automotive market. However, auto financing in the used car and new car market in India is still largely underpenetrated in comparison to global markets including the USA.

*Car Finance Penetration in India and USA for used and new cars, Fiscal 2020*




*Source: GT Analysis*

In future, increasing adoption of digital portals, and bundling of finance products at the point of sale is expected to drive the finance penetration, which in turn will drive the growth in the sale of used and new vehicles.

Traditionally, banks and original equipment manufacturer ("OEM")-owned Non-Banking Financial Company ("NBFCs") have dominated the auto financing/loan segment in India. However, as consumers are increasingly moving online for their financial needs, over the past few years, online platforms including Droom have designed business models around the key pain points for borrowers (Customized Repayment Schedule, Quick loan decision, Favourable loan terms) as well as lenders (Verified customers and transaction assurance). The online auto players are adopting technologies such as data analytics, cloud computing, artificial intelligence, and machine learning to offer timely services to customers and improve the overall experience. Droom, through its product Droom Credit (which uses advanced algorithms to provide paperless and transparent financing options), offers instant auto loans.

*Various Business Models for Sale of Auto Loans*

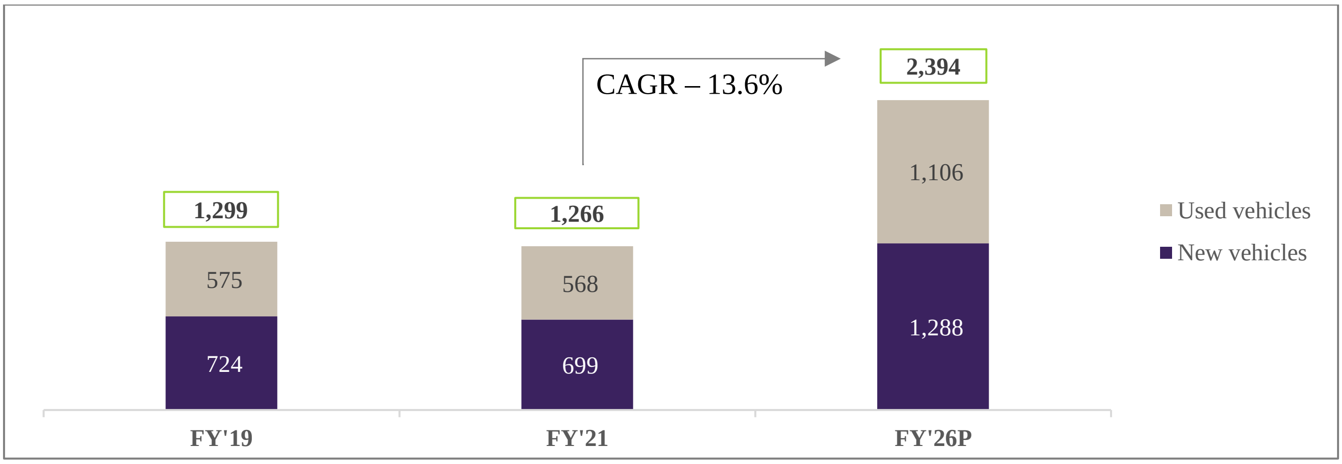
| Models | | Key Examples |
|---|---|---|
| **OEMs** | **Model explained:** OEMs, through their own portals allow the customers to avail loans through partnerships with leading banks and NBFCs<br><br>**Monetization avenue**: Commission/Fee charges for loan facilitation | • Maruti Suzuki |
| **Banks, NBFCs, Credit Unions** | **Model explained**: This business model entails loan directly from a bank, finance company, or credit union. The customer agrees to pay, over a period of time, the amount financed, plus a finance charge<br><br>**Monetization avenue**: Interest income | • AXIS Bank<br>• ICICI Bank<br>• SBI Bank |
| **Finance Brokers** | **Model explained:** Companies acting as an intermediary by matching borrowers to lenders and their loan products, assisting and advising borrowers on the loan application process and negotiating interest rates on loans, including car loans<br><br>**Monetization avenue**: Commission/Fee charges for loan facilitation | • Bankbazaar.com<br>• Paisabazaar.com |
| **Physical branded dealer** | **Model explained:** Dealers providing auto loans as a bundled service through partnerships with leading banks and NBFCs along with the provision of automotive services including sale of used and new vehicles, certification services amongst others<br><br>**Monetization avenue**: Commission/Fee charges for loan facilitation | • Cars24 |
| **Online Players** | **Model explained:** Online players providing auto loans as a bundled service through partnerships with leading banks and NBFCs along with the provision of automotive services including sale of used and new vehicles, certification services amongst others<br><br>**Monetization avenue**: Commission/Fee charges for loan facilitation | • Droom |
| **Online Content/ Delivery** | **Model explained:** Online content players providing auto loans as a bundled service through partnerships with leading banks and NBFCs<br><br>**Monetization avenue**: Commission/Fee charges for loan facilitation | • CarDekho |

*Source: GT Analysis*

***Auto Insurance Market***

The India auto insurance market was valued at ₹1,266 billion in Fiscal 2021 and is projected to reach ₹2,394 billion by Fiscal 2026, growing at a CAGR of 13.6%. Auto insurance in India forms the largest sector of the general insurance industry in India. Motor premiums account for 34.1% of the total non-life premiums in India.

***India Auto Insurance Market – Used and New Vehicles (₹ billion)***




*Source: GT Analysis*

About 70 million vehicles have insurance in India against the approximately 180 million registered vehicles on Indian roads, signifying the strong potential for growth of the market.

***Models for sale of motor insurance in India***

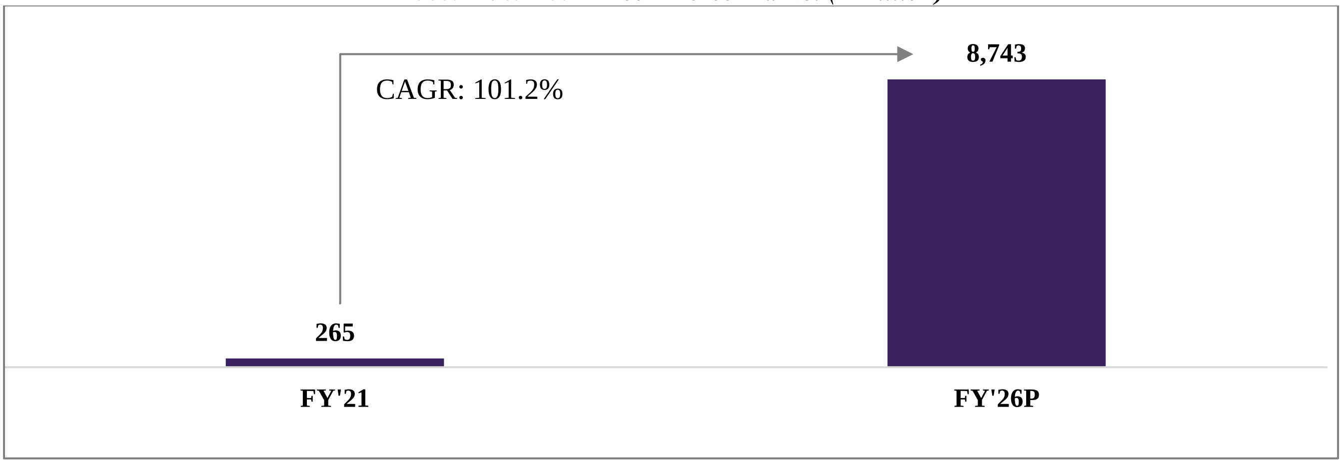
| Models | | Key Examples |
|---|---|---|
| OEMs | **Model explained:** Vehicle dealers offer motor insurers to buyers through a tie-up with an insurance company. They act as brokers/agents in the industry. As the vehicle insurance and purchase gets bundled for new vehicles, OEMs offer bundling discounts on the deal. Some OEMs waive off the first-year premium to make the purchase offer more lucrative to the buyer.<br>**Monetization avenue**: Commission/Fee charges for insurance policy facilitation | • Maruti Suzuki |
| Aggregators | **Model explained:** Web aggregators are third-party portals where consumers can compare the various policies from all motor insurance companies operating in the country. They generate leads for the insurers. As per IRDAI, there are 24 licensed web aggregators for insurance in India.<br>**Monetization avenue**: Commission/Fee charges for insurance policy facilitation | • Policybazaar.com<br>• PolicyBachat<br>• InsuranceDekho |
| Physical branded dealer | **Model explained:** Dealers providing auto insurance as a bundled service through partnerships with leading insurance companies along with the provision of automotive services including sale of used and new vehicles, certification services amongst others<br>**Monetization avenue**: Commission/Fee charges for insurance policy facilitation | • Cars24 |
| Online Players | **Model explained:** Online players offer one-stop solution primarily in the used vehicle segment where not only transaction is handled seamlessly but also insurance processes are bundled with the transaction<br>**Monetization avenue**: Commission/Fee charges for insurance policy facilitation | • Droom |
| Online Content/ Delivery | **Model explained:** Online content players providing auto insurance as a bundled service through partnerships with leading insurance companies<br>**Monetization avenue**: Commission/Fee charges for insurance policy facilitation | • CarDekho |

*Source: GT Analysis*

***Used Auto Loan E-commerce Market***

In India, only approximately 19% of used cars are purchased with loans, while approximately 75% of new cars are sold with loans. The penetration of auto loans for used vehicles is low as 1) Valuation of used cars is a challenge for banks and NBFC who do not have the in-house valuation capabilities, and 2) Many of the used vehicle customers are first-time vehicle buyers with no past credit history. However, digital players are addressing these pain points by offering better financing options and providing independent vehicle inspection services to Banks and NBFCs, thereby reducing their risk. The online used auto loan market is anticipated to grow from ₹265 million in Fiscal 2021 to ₹8,743 million by Fiscal 2026, growing at a CAGR of 101.2%.

***Used Auto Loan E-commerce Market (₹ million)***

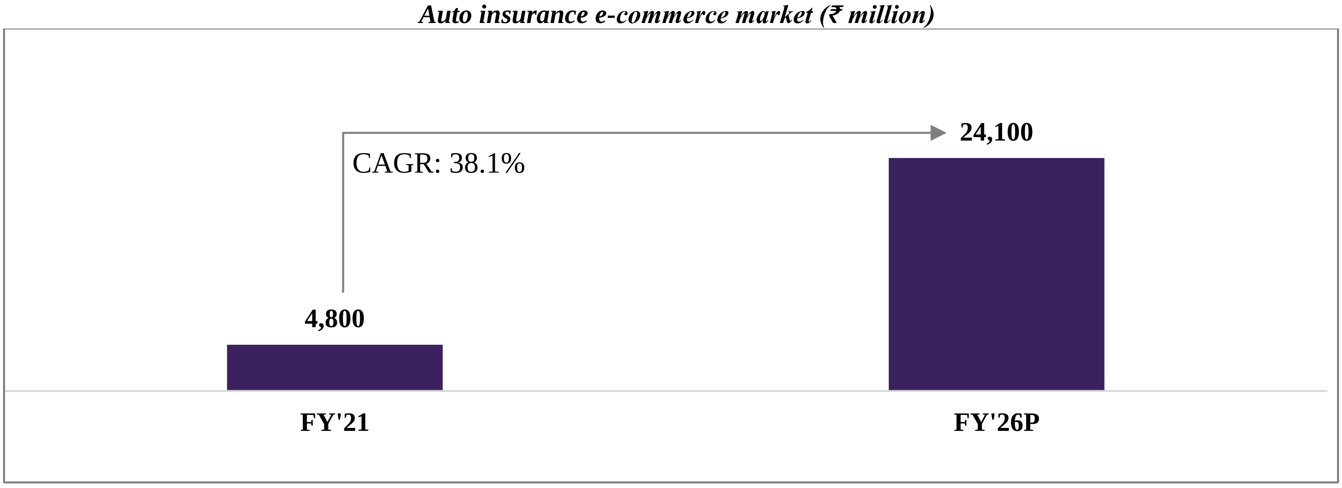



*Source: GT Analysis*

***Auto Insurance E-commerce Market***

While auto insurance is mandatory for all vehicles plying on Indian roads, approximately 8% of 34 million private cars are still uninsured in India. Auto insurance continues to be the largest non-life insurance category, and digital players are driving penetration through lowers TATs and enhanced convenience. The online car insurance market stood at ₹4,800 million in Fiscal 2021 and is expected to grow to ₹24,100 million by Fiscal 2026 at a CAGR of 38.1%.

***Auto insurance e-commerce market (₹ million)***




*Source: GT Analysis*

***How e-commerce is resolving the structural issues***

Online e-commerce platforms are solving major pain points faced by all stakeholders in the used vehicle industry – seller, used car dealer and buyer.

*Information symmetry and transparency:* E-commerce platforms resolve the issue of information asymmetry by providing price comparison, third party inspections and history of vehicle ownership, making it easier for the customers to make his or her purchase decision. They provide options to compare competing seller products, perform inventory checks and pick the best deal. The market has become more organized and regulated at the dealer level, which includes certification of used car dealers and other new measures catering to the needs of the customers. E-commerce channel leverages existing websites and online tools to provide customers with more information, including high-resolution pictures, complete car histories and a full list of repairs made during reconditioning. E-commerce portals are leverage artificial intelligence and data analytics on their platforms to facilitate research, car discovery, and transactions.

*Convenient shopping experience through single platforms offering end to end buying and selling services:* Auto e-commerce players enable a one-stop solution where not only is the transaction handled seamlessly but also processes such as registration transfer, loan closure for the seller, loan issuance for buyer and insurance, technical certifications and warranty are bundled with the transaction. The e-commerce portals are also providing different payment options, various financing benefits that make customers prefer online shopping.

*Substitute for large-format modern retailing:* The large-format retailing in India is primarily available for new cars and is available in limited areas for used cars. This poses a hurdle for customers in the selection process. Besides this, on the supplier's side, nationwide fulfilment costs are extremely high, requiring large capital investment, making a consolidated inventory in a single location immensely challenging. Automobile e-commerce platforms deliver a wide range of options for customers with home test drives and delivery facilities while cutting down on the capital required to run a physical retail showroom. Organised players are slated to offer over 100 car models at each yard along with access to an even larger inventory on their web platforms.

*Increasing trust of customers in the quality of used cars:* Considering the low repeat nature of a used car transaction, smaller used car dealers often resort to unfair practices such as meter tampering, misrepresenting car conditions or charging high prices to generate bigger margins for offline transactions. Used car buyers also benefit when dealing with online auto portals. The existing lengthy and complicated process of getting the ownership of the vehicle has thus become simplified quite extensively. The emergence of new online platforms has accelerated the formalization of the used car market by enabling the aggregation of a large assortment of used cars, leading to faster fulfilment.

***Positive Impact of COVID-19***

COVID-19 has accelerated digital adoption across industries with an increased preference for convenience and safety. Customer habits and behaviours have changed dramatically as a result of the pandemic. The dramatic rise in e-commerce amid movement restrictions induced by COVID-19 have increased online retail sales across geographies.

The automotive industry players are also moving towards digitization to serve customers and promoting online sales. Companies are adapting end to end digitization of sales with the launch of user-friendly online retail platforms. In addition, digital media is playing an increasingly important role in determining purchase decisions of car buyers - Online video is also playing a bigger role in the car-buying path to purchase. The evolution of e-commerce is expected to offer opportunities for all industry participants including the OEMs, OESs, workshops and garages, distributors, the end-customers, non-auto stakeholders, and mobility start-ups.

As people prioritize social separation and personal hygiene, there has been a trend away from shared mobility choices. This has effectively translated into a larger demand for affordable personal transportation, which may help automakers increase sales, particularly in the entry-level vehicle category. When the lockdown was lifted in China, a similar trend emerged, with car ownership outpacing car sharing. India is projected to follow a similar path, which might help the automotive industry reverse its downward sales trend.

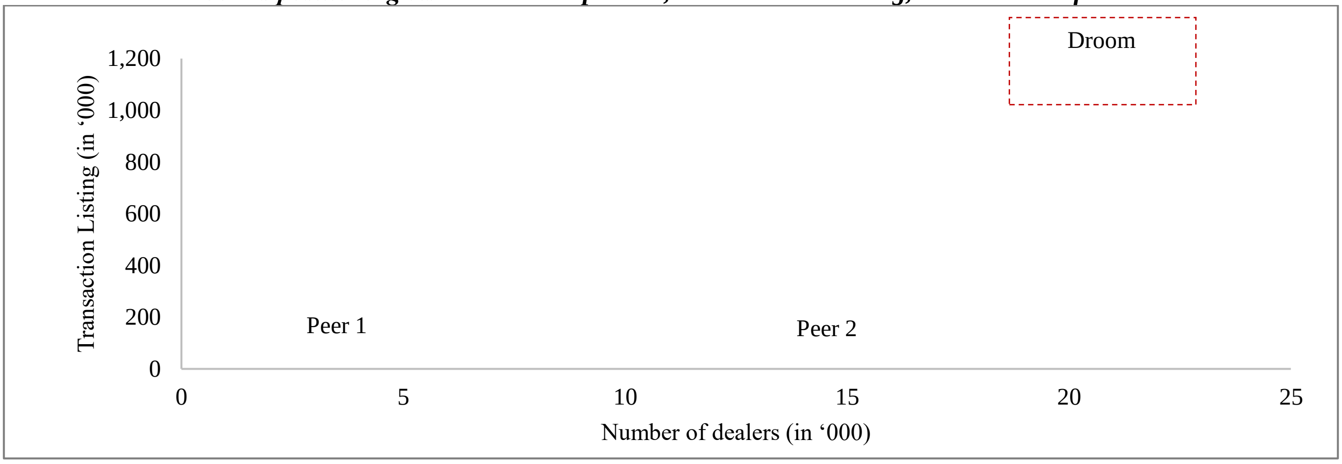
A growing preference for contactless digital transactions has emerged as a prominent trend that is projected to spill over into vehicle purchases. In after-sales, there had already been a shift toward online models, with growth in online appointment scheduling, doorstep pickup/delivery and online payments. The pandemic has also made evident the growing shift to asset-light models and preference for experience rather than ownership is fast gaining favour with millennials. In the automotive industry, this may translate into greater interest in car subscriptions and short-term leasing models.

In conclusion, a couple of factors played a vital role in changing the customer preference towards used and online vehicle buying and selling such as financial volatility, decrease in disposable income, inconvenience with ridesharing and comfort with own vehicle to prevent infection spread.

***Competition Landscape***

The automobile sector is one of India's largest and fastest-growing manufacturing sectors. Some of the key auto-tech players in the market are Droom, CarTrade, CarDekho, Cars24 and Spinny. With 20,725 dealers, Droom has one of the largest auto dealer networks in India. The rapid growth of online-only used passenger car dealers in the past several years validates consumers' willingness to buy cars online. As compared to some of the other major players, Droom is one of the leading players in terms of the number of vehicles listed online.

***Droom's positioning vis-à-vis its competitors, Transactional listing, and number of dealers***




*Source: GT Analysis*

Droom is one of the largest online automobile platforms in terms of transactions among players catering to individual buyers and sellers, dealers, and large enterprises. Droom has one of the largest auto dealer networks amongst its competitors and is the only major online transactional player in India. Droom has a well-established geographical presence across India with a full suite of ecosystem services with no inventory risk or a large pool of manual labour as shown in the figure below:

| KEY PARAMETERS | DROOM | CAR TRADE TECH | CARS24 | CARDEKHO | SPINNY |
|---|---|---|---|---|---|
| **PARENT COMPANY** | Droom Technology Ltd | CarTrade Tech Ltd | Cars24 Services Pvt Ltd | Girnarsoft Automobiles Pvt Ltd | Valuedrive Technologies Pvt Ltd |
| **FOUNDED** | 2014 | 2009 | 2015 | 2008 | 2015 |
| **DOMESTIC PRESENCE** | 1,151 cities | 80 cities | 73 cities | 11 cities | 13 cities |
| **INTERNATIONAL PRESENCE** | Southeast Asia, Middle East, and Africa | N/A | Australia, UAE | Indonesia, Philippines, Malaysia | N/A |
| **PRIMARY SELLING FORMAT** | B2C | B2B | C2B | C2B | B2C |
| **BUSINESS MODEL** | Transaction based – E-commerce (*Commission on transaction value)* | Transaction based - Physical Retail | Transaction based - Physical Retail | Non-Transactional – Classified and Product discovery | Transaction based - Physical Retail |
| **FACEBOOK LIKES** | Over 6.5 million | Over 217,000 | Over 410,000 | Over 1.2 million | Over 109,000 |

## Service Offerings

Droom offers one of the most comprehensive offerings among the major players in the industry that allows users access to a broad selection of vehicles through mobile apps and websites with comprehensive and accurate vehicle information and a seamless transaction experience. Droom is the only major Indian player with a completely online transactional model and amongst the market leaders in pure-play automobile e-commerce platforms.

| SERVICES – USED VEHICLES | DROOM | CAR TRADE TECH | CARS24 | CARDEKHO | SPINNY |
|---|---|---|---|---|---|
| **TYPES OF VEHICLE** | Two-wheeler, Three-wheeler, Four-wheeler, Commercial Vehicles, Planes | Two-wheeler, Three-wheeler, Four-wheeler, Commercial vehicle, Construction Equipment, Farm Equipment | Four-wheeler, Two-wheeler | Four-wheeler | Four-wheeler |
| **SALE OF USED VEHICLES** | ✓ | ✓ | ✓ | ✓ | ✓ |
| **SALE OF NEW VEHICLES** | ✓ | × | × | × | × |
| **SALE OF VINTAGE VEHICLE** | ✓ | × | × | × | × |

| SERVICES – USED VEHICLES | DROOM | CAR TRADE TECH | CARS24 | CARDEKHO | SPINNY |
|---|---|---|---|---|---|
| LEAD PROCUREMENT | ✓ | ✓ | × | ✓ | × |
| VALUATION SERVICES | ✓ | ✓ | ✓ | ✓ | ✓ |
| VEHICLE CERTIFICATION | ✓ | ✓ | × | ✓ | ✓ |
| RC TRANSFER | ✓ | × | ✓ | ✓ | ✓ |
| VEHICLE FINANCING/ LOANS | ✓ | ✓ | ✓ | ✓ | ✓ |
| INSURANCE | ✓ | ✓ | × | ✓ | × |
| WARRANTY | ✓ | × | × | × | ✓ |

**Financial Parameters**

As shown in the figure below, Droom has the largest Gross Merchandize Value among auto-tech players in India.

| FISCAL 2020 (₹ million) | DROOM[1] | CAR TRADE TECH[2] | CARS24[3] | CARDEKHO[4] | SPINNY[5] |
|---|---|---|---|---|---|
| GROSS MERCHANDISE VALUE[(6)] | 66,976 | Data not available | 29,981[(7)] | Data not available | Data not available |
| OPERATING REVENUE[(8)] | 1,722 | 2,983 | 29,981 | 7,063 | 114 |
| ADJUSTED REVENUE[(9)] | 1,722 | 2,811 | 1,887 | 4,169 | 102 |
| EBITDA[(10)] | (795) | 598 | (2,672) | (2,840) | (717) |
| EBITDA MARGIN[(11)] | (43.8)% | 12.4% | (8.7)% | (44.0)% | (440.7)% |
| EBITDA AS % OF GMV | (1.2)% | Data not available | (8.9)% | Data not available | Data not available |
| PROFIT/(LOSS) AFTER TAX | (896) | 313 | (2,850) | (3,265) | (765) |
| PROFIT/(LOSS) AFTER TAX MARGIN[(12)] | (49.4)% | 9.8% | (9.3)% | (43.4)% | (432.2)% |
| PAT AS % OF GMV | (1.3%) | Data not available | (9.5%) | Data not available | Data not available |

*Notes:*

1. *Droom (Droom Technology Limited, formerly known as Droom Technology Private Limited): The subsidiaries include Droom Tech Logistics Private Limited, Droom Finance Tech Private Limited and Xeraphin Finvest Private Limited.*
2. *CarTrade Tech (Cartrade Tech Private Limited): The subsidiaries include Shriram Automall India Limited, Adroit Inspection Services Private Limited, CarTrade, Exchange Solutions India Private Limited, CarTrade Finance Private Limited and Augeo Asset Management Private Limited.*
3. *Cars24 (Cars24 Services Private Limited): The subsidiaries include Cars24 Financial Services Private Limited.*
4. *CarDekho (Girnar Software Private Limited): The subsidiaries include Girnarsoft Automobiles Private Limited, Girnar Care Private Limited, Carbay Pte Ltd (Singapore), PT Carbay Services Indonesia (Indonesia), Carbay Philippines Inc (Philippines), Advanced Structures India Private Limited, Girnar Software (SEZ) Private Limited, Girnar Insurance Brokers Private Limited, Girnarsoft Education Services Private Limited, Powerdrift Studios Private Limited and Girnar Finserv Private Limited.*
5. *ValueDrive Technologies: 15 months financials*
6. *Gross merchandise value (GMV) is the total value of vehicles and services sold on the platform. GMV is not available for players which are mix of business models*
7. *For Cars24, its GMV has been assumed to be equivalent to its operating revenue as it undertakes purchase and sales of vehicles*
8. *Represents "revenue from operations" for Droom, CarTrade Tech, Cars24, CarDekho and Spinny.*
9. *Following formula has been used to derive adjusted revenue: Adjusted Revenue = Operating revenue - purchase of stock in trade - change in inventory. Revenue adjustments has been performed for CarTrade Tech, Cars24, CarDekho and Spinny to compare them with Droom on like to like basis to adjust for inventory cost. For Droom, these adjustments are not applicable based on business model.*
10. *EBITDA calculations includes other income. EBITDA is calculated as profit/(loss) after tax plus tax expense plus interest expense plus depreciation and amortization. For Droom, EBITDA is calculated as loss for the year plus total tax expense/ (credit), finance cost, depreciation and amortization expense*
11. *EBITDA margin is calculated on total revenue and refers to percentage of EBITDA divided by Total Revenue*
12. *Profit/(loss) after tax margin is calculated on total revenue and refers to percentage of Profit/(loss) after tax divided by Total Revenue*

**Why Auto E-commerce**

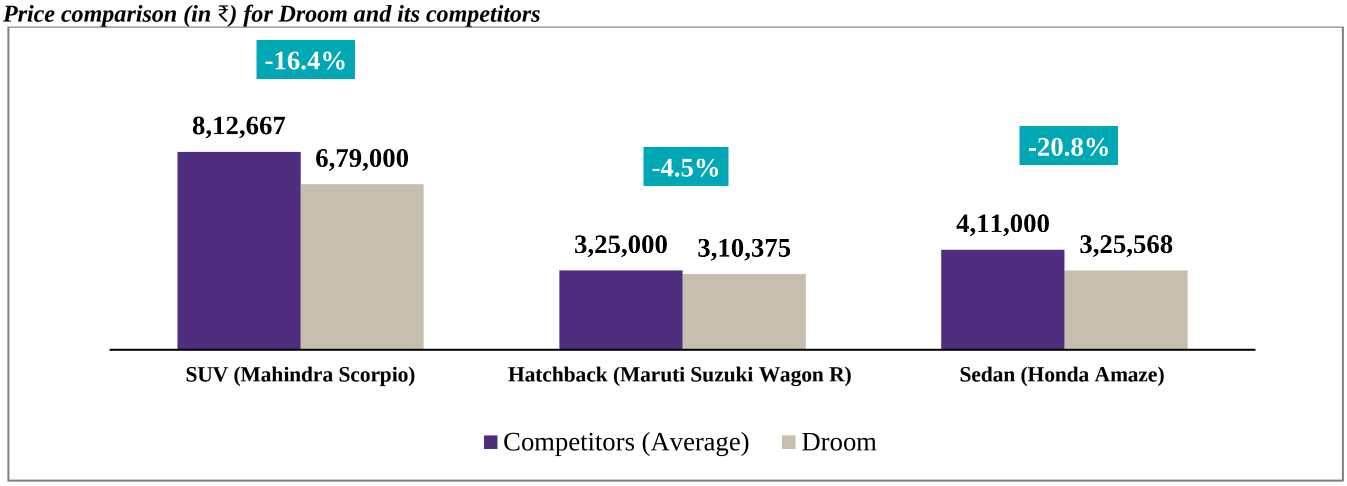
Droom does not operate through physical stores which provides it with an advantage over other competitors as it does not need to incur any inventory costs or Capex costs or operating costs related to maintaining physical stores. Its asset-light model also gives it the advantage of maintaining lesser working capital.

| PARAMETER | Droom | Physical retail |
|---|---|---|
| NO CAPEX FOR PHYSICAL STORES | ✓ | × |
| NO OPEX FOR PHYSICAL STORES | ✓ | × |
| NO INVENTORY RISK | ✓ | × |
| PEOPLE LIGHT BUSINESS | ✓ | × |

**Price comparison**

Droom offers end-consumers one of the largest selection of vehicles and at competitive prices as compared to its key competitors.

***Price comparison (in ₹) for Droom and its competitors***




*Note – Prices for competitors were taken from their respective websites on October 9, 2021 between 1:30 pm to 3:30 pm. Data for Droom is the actual average sales price for YTD Fiscal 2022.*

***International Markets***

The auto-e-commerce market in regions such as Southeast Asia, Middle East and Africa have similar characteristics to India such as inefficient used vehicle sales process, lack of transparency and trust. These are large opportunities for auto e-commerce players. The total market opportunity for online passenger vehicles is USD 2.4 billion in South-East Asia and USD 11.0 billion in the Middle East and Africa in 2020, which is expected to reach USD 4.9 billion and USD 24.0 billion respectively by 2026.

**South-East Asia**

South-East Asia has emerged as a fast-growing market for new and used vehicles, with used passenger car sales is expected to more than double in the next 5 to 7 years. Increasing use of e-commerce platforms, coupled with growth in sales of both new and used cars is expected to benefit players like Droom, who cater to the entire auto retail and services value chain.

The used car sales process has traditionally been very inefficient across developing nations in South-East Asia, which has followed the physical store model with multiple intermediaries and lack of transparency, creating an environment of distrust. This greatly hampered the potential for this space to grow further. Online models, however, have become prominent in the last 5 years and evolved from only lead generation to transaction-based models, thereby solving major challenges across stakeholders.

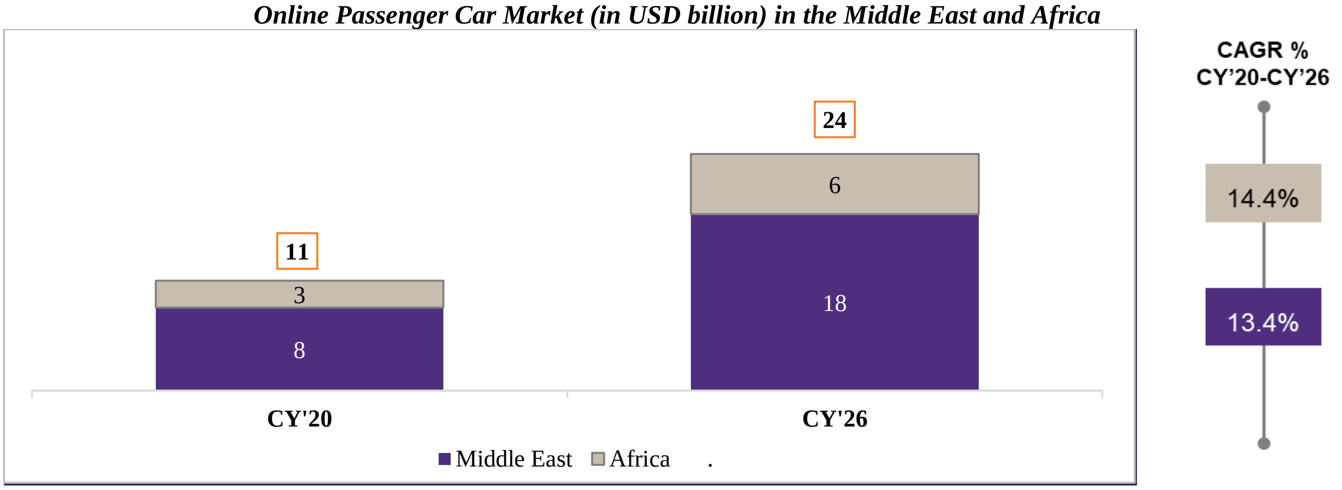
**The Middle East and Africa**

The Middle East automotive sector is among the fastest-growing sectors in the region. This is driven by high disposable income, significant infrastructure development and a growing population. New business models, increased automation and digitization are revolutionizing the automotive industry in the region and has led to the development of auto e-commerce in the region as well. Players like Droom, who cater to the entire auto value chain, are expected to benefit from the fast-growing, high-value auto market.

Africa has a significantly large share of used passenger car sales, and this is expected to double in the next 6 years. While the e-commerce sector is in its nascent stage of development, growth in internet and smartphone usage is expected to benefit the sector. Auto e-commerce players with a long-term view of the market are expected to benefit from this trend.

An increase in online car selling platforms is expected to drive the online sales of new and used cars in the Middle East. The online passenger car market in the Middle East is expected to grow at a CAGR of 13.4% from 2020 to 2026 to reach USD 18 billion by 2026 while in Africa it is expected to grow at a CAGR of 14.4% to reach USD 6 billion by 2026. In Africa, South Africa is one of the leading consumers in the used cars market that import a massive number of used cars every year from the European countries, along with the USA, Japan, and the Middle East. Africa uses only 1% of the world's new vehicles produced and over 85% of those vehicles are bought by people living in the South African region.

***Online Passenger Car Market (in USD billion) in the Middle East and Africa***




*Source: GT Analysis*

***Online Passenger Car Market – Used and New (in USD billion) in the Middle East and Africa***

| USD billion | 2020 | 2026 | CAGR (2020 – 2026) |
|---|---|---|---|
| **Middle East** | | | |
| Used Passenger Cars | 7.5 | 14.9 | 12.2% |
| New Passenger Cars | 0.8 | 2.7 | 21.8% |
| **Total Passenger Cars** | **8.3** | **17.7** | **13.4%** |
| **Africa** | | | |
| Used Passenger Cars | 2.4 | 5.1 | 13.1% |
| New Passenger Cars | 0.3 | 0.9 | 23.1% |
| **Total Passenger Cars** | **2.7** | **6.0** | **14.4%** |

*Source: GT Analysis*

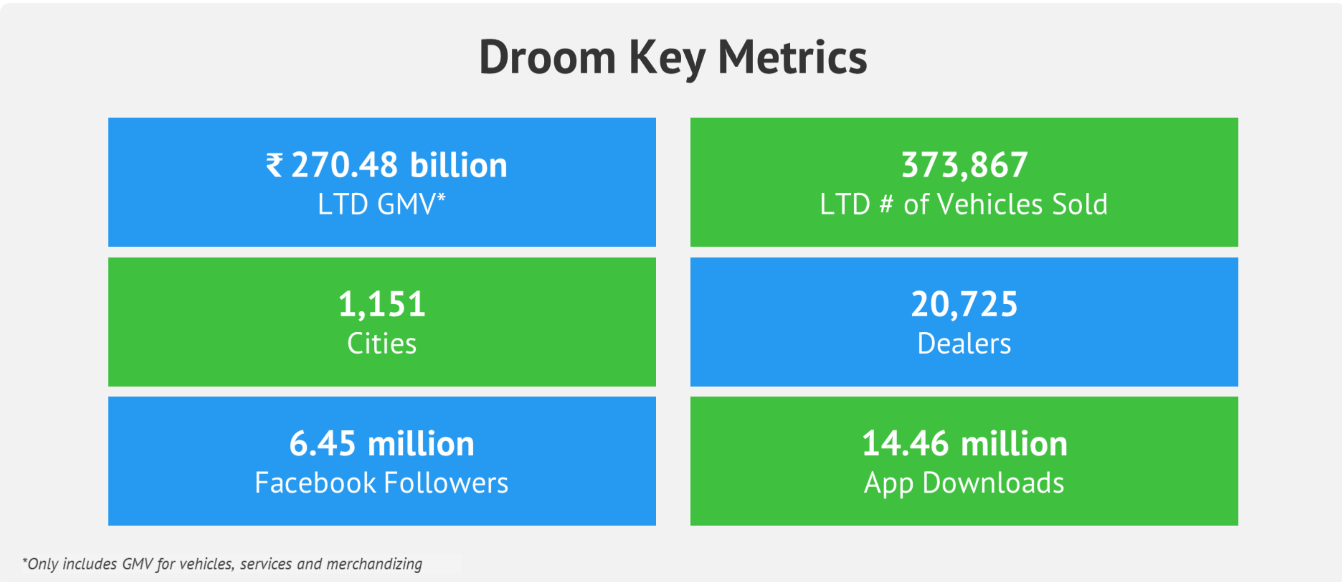
## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 22, 193 and 252, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Auto E-commerce Market" dated November, 2021 (the "GT Report"), exclusively prepared and issued by Grant Thornton Bharat LLP who were appointed on August 27, 2021, and commissioned by and paid for by us. The data included herein includes excerpts from the GT Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. A copy of the GT Report is available on website of our Company at droom.in/ir. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 44. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 12. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 12.*

**Who We Are**

We are a technology and data science company that facilitates automobile buying and selling online through a combination of our asset-light automobile e-commerce platform along with a technology-driven vertically integrated proprietary ecosystem of products and services for the automobile industry. We offer a 21st-century e-commerce experience for automobiles and is one of the leading e-commerce platforms for used cars sales in India (*Source: GT Report*). We are the only major Indian player with a completely online transactional model and offer one of the largest selection of automobiles amongst the major online players in India (*Source: GT Report*) with over 1.15 million vehicles listed that includes both used and new cars and two-wheelers, and other vehicles, as of September 30, 2021. Our automobile e-commerce platform, which includes our website and mobile apps, offers users convenience and a curated experience to buy and sell new and used vehicles and encompasses every element of automobile buying from searching for a vehicle, creating buying requirements, price discovery, booking, certification to purchase and financing and doorstep delivery.




*(As of September 30, 2021)*

India is currently the fifth-largest automotive industry and is expected to be the world's third-largest automotive industry in terms of volume by Fiscal 2026. India has one of the lowest motorization rates in the world at 22 cars for every 1,000 people. The market for used vehicles is expected to grow at a CAGR of 15.7% between Fiscal 2021 and Fiscal 2026 to reach ₹7,083 billion. We believe that the automotive retail industry's unique structure and limitations present an opportunity for disruption. It is the largest consumer retail vertical in India and stood at ₹16,505 billion in Fiscal 2021. At 1.5, India has one of the lowest used-to-new car ratios globally as of Fiscal 2021. The majority of the used vehicle market in India is unorganised with a highly fragmented seller base. With the increasing acceptance towards the purchase of used vehicles there exists a significant potential for growth. In India, the auto has the lowest online penetration compared with other retail categories such as electronics, travel, fashion, and mobile phones. The Internet has been causing a secular shift for all major retail categories online. The GMV for used online transacted vehicles in India is ₹154 billion as of Fiscal 2021 and is expected to grow at a CAGR of 66.9% between Fiscal 2021 and Fiscal 2026 to reach ₹1,994 billion. The current online penetration rate for used cars is 1%. It is estimated that four out of five people in India who are considering buying a car would use an online purchase option if it were available while one out of three potential buyers would buy a vehicle sooner if they had an online option and could avoid visiting a dealer. (*Source: GT Report*)

With our use of technology and data science combined with our asset-light business model, we have been able to capitalize on this market opportunity. From commencing our operations in 2014 with our Android mobile app and offering buying and selling of only used vehicles in Delhi-NCR by auto dealers, we have expanded our platform to include over 11 vehicle categories, including new and used vehicles, sold by auto dealers and individual sellers in 1,151 cities in India using our Android app, iOS App, M-site, and website, as of September 30, 2021.

***What We Offer***

As a pure-play automobile e-commerce company, we provide a platform for buyers and sellers to transact vehicles and related services. To address structural constraints of the automobile market and buyers' and sellers' pain points, we have built a platform that aims to deliver wide selection, low prices, inspected and verified vehicles, loan and insurance, and seamless delivery for buyers as one unified *Droom* experience. For used vehicle dealers and individual sellers, besides being able to reach out to a potential buyer online, we offer an end-to-end e-commerce solution including technology platform, digital catalogue, online payment, vehicle inspection and certification service, and vehicle delivery service.

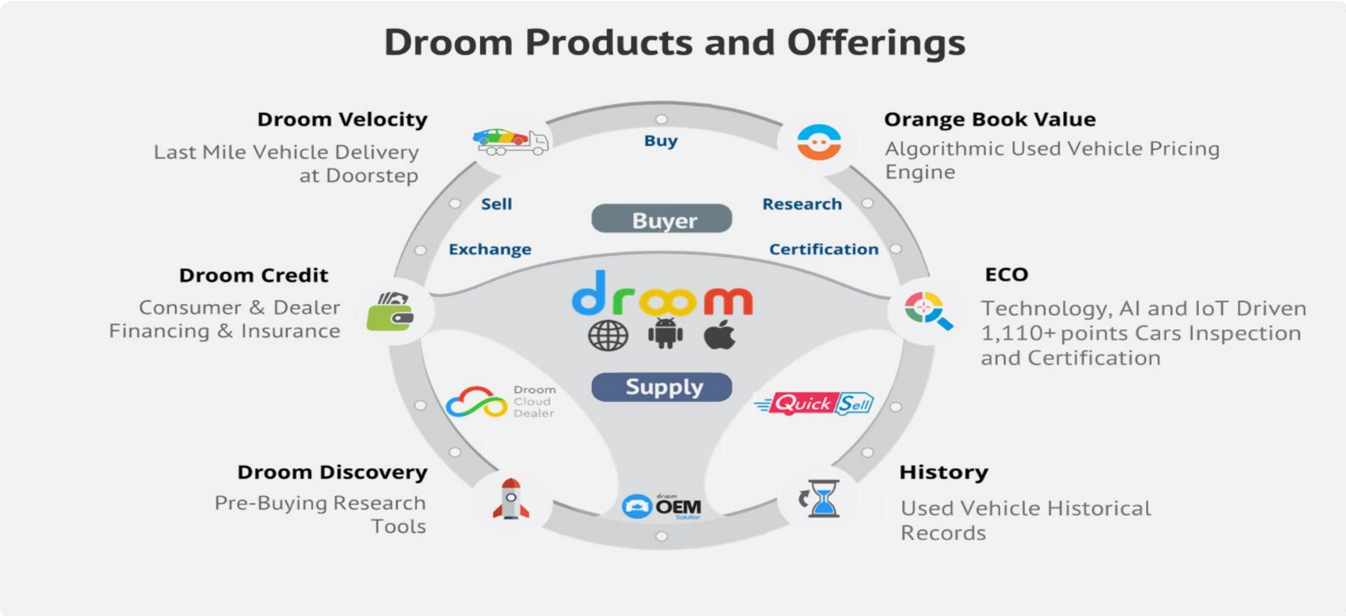

*Value proposition for Buyers*

We are one of the leading players in terms of the number of vehicles listed online (*Source: GT Report*) and as of September 30, 2021, our platform listed 278,807 used vehicles. We have one of the largest dealer networks in India (*Source: GT Report*). Our platform allows buyers to seamlessly discover and purchase a vehicle suited to their personal preference. We provide users with access to various ecosystem tools on our platform, to provide a superior end-to-end experience, and to build trust in a fragmented and unorganised market. For example, buyers can research and identify a vehicle, obtain an independent, objective and unbiased valuation for the vehicle using *OBV*, purchase and verify historical vehicle records like ownership, service, insurance and insurance claim records through *History*, have it inspected through our proprietary IoT and AI-based inspection service by *ECO*, obtain financing and insurance, warranty coverage of up to ₹5.00 million, complete their purchase, and scheduled delivery or pick up, all from our online platform.

*Value proposition for Auto Dealers*

Through our platform, we provide auto dealers direct access to over 177.62 million potential traffic (annualized and based on traffic to our platform in the month of September 2021) in 1,151 cities in India, as of September 30, 2021, and can sell their vehicle anytime and anywhere. We offer sellers assistance with digital cataloguing, pricing, inspection and last-mile delivery to improve the marketability of their vehicles with low transaction cost and faster trade velocity. Auto dealers that list on our platform experience improved visibility with buyers, wider distribution and yield improvement. With increasing buyers' preference for digital interactions through online channels (*Source: GT Report*), this becomes a critical enabler for the growth of our auto dealers' businesses.

***Our Proprietary Ecosystem***




As an automobile e-commerce platform, we not only leverage technology to source vehicles and sell them online, but also offer proprietary and technology-driven services for vehicle certification, loan and insurance and delivery of the vehicle. We have built a large scale and asset-light technology and data science-driven ecosystem around used automobiles for the transaction lifecycle with an extensive network. We also offer *Droom Discovery*, a vehicle research tool, *Orange Book Value ("OBV")*, a used vehicle pricing engine that has since inception received over 450.72 million pricing queries, as of September 30, 2021. *ECO*, our inspection service, covers over 1,110 checkpoints for car inspection, verification and certification services that are carried out by trained technicians or *ECO Ninjas*. *History*, is a repository of vehicle historical records covering up to 28 different records; *Droom Credit* is our automobile focused financing platform, and *Droom Velocity*, our last-mile fulfilment and delivery.

Over our seven years of operation, we have improved our services to ensure that our business is relevant and intuitive. We constantly leverage on newest technologies including artificial intelligence ("**AI**"), machine learning ("**ML**") and Internet of Things ("**IoT**") and ensure that we are accessible across all digital formats and platforms. Our proprietary technology and data science capabilities have helped us grow our operations over the years. In addition, based on data we have on our users' history, behaviour and preferences, our smart selection system provides personalized recommendations to consumers, making it more likely for them to find their vehicles of choice. Our app downloads have increased at CAGR 5.12% from 12.85 million, as of March 31, 2019, to 14.20 million as of March 31, 2021, and had 14.46 million downloads, as of September 30, 2021. We have 6.45 million Facebook followers, as of September 30, 2021, making us one of the largest auto-focused social media communities in India (*Source: GT Report*). Our automobile listing library and transactional database drives precise, personalised recommendations and attracts targeted users with buying intent and enhances conversion.

Through our various business operations, we work with several stakeholders in the automobile industry ecosystem. We work with auto dealers, OEMs, insurance and financing companies through our technology platform. We work closely with several banks and non-banking finance companies ("NBFCs") such as YES Bank Limited, Tata Capital Financial Services Limited, Bajaj Finance Limited, Antworks Financial Buddy Technologies Limited and Muthoot Capital Limited to offer financing and insurance options to consumers. We also work with OEMs such as India Kawasaki Motors Private Limited, electric vehicles OEMs such as Ather Energy Private Limited and self-driving vehicle providers like Revv (PrimeMover Mobility Technologies Private Limited) to provide them with an online platform for the sale of their vehicles. We also have a relationship with Allianz Partners (AWP Assistance (India) Private Limited) for other auto ancillary services and UTM (Vansun Mediatech Private Limited) for digital advertising. These partnerships help us to build services that allow us to grow our business and increase integration within the automobile ecosystem.

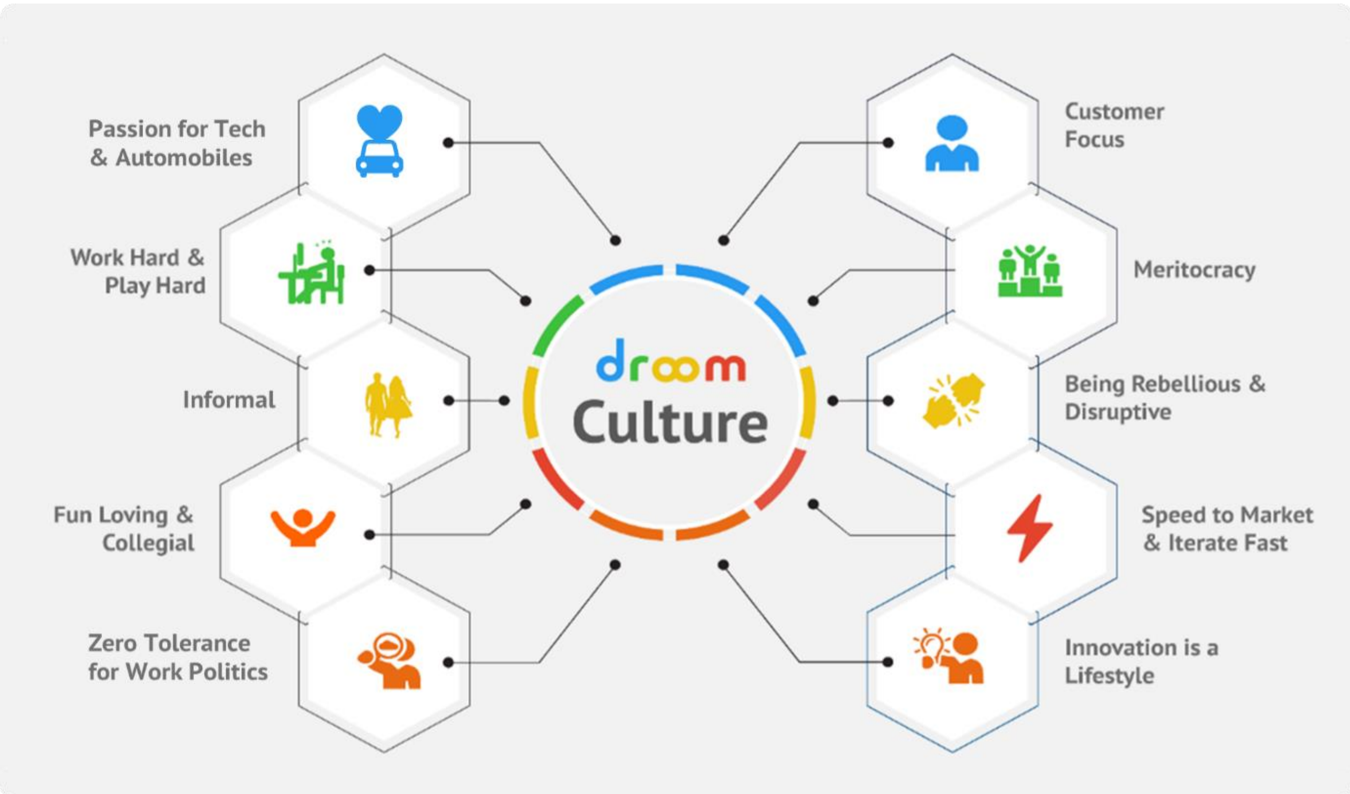
***Our Business Model***

We monetize our automobile e-commerce platform through service fees or take rate and certain of our ecosystem products and services. We generate revenues primarily through selling service fees for transaction facilitation from the seller, fees from value-added services such as *OBV*, *ECO*, *History* and *Droom Velocity* and loan and insurance facilitation services. In addition, we have also started monetizing these products through subscription-based offerings as well as digital advertising for enterprise clients and auto dealers. Our revenues from operations were ₹1,359.68 million in Fiscal 2019, ₹1,721.72 million in Fiscal 2020, ₹1,253.32 million in Fiscal 2021 and were ₹790.81 million in the three months ended June 30, 2021.

***Our Founder, Management Team and Culture***

We are led by our founder, Promoter, Chairman, Whole-time Director & Chief Executive Officer, Sandeep Aggarwal who has over 20 years of experience in the technology and e-commerce space and has been recognized as one of the 30 Influential Business Leaders 2017 by Insight Success and was awarded DigiXX Person of the Year by DigiXX Awards 2018, Digital Entrepreneur of the Year 2018 at Haryana Gaurav Award, and Business Leader of the Year 2018 by World Federation of Marketing Professionals. We are led by our leadership team who have strong academic credentials and extensive experience across various industries ranging from global technology companies to consumer brands and professional services firms. Certain of our leadership team have prior experience working in consumer technology companies, and the average years of experience of our senior management team is over 12 years. The strength and experience of our leadership team have enabled us to achieve our current scale in our relatively short operating history.

We have a vibrant work culture and '*Droomers*' are passionate about how they are working on disrupting the automobile industry and contributing to creating a convenient automobile buying and selling experience. We have a culture of meritocracy and are driven by a passion for technology and automobiles. We believe our culture promotes innovation, disruption and speed to market in a rapidly evolving market. We have been recognized among the Best Place to Work in India in 2021 by Ambition Box and as India's Most Admired E-Commerce Company in 2016 by Planman Media. A testament to our ability to attract and retain talent is our team size and attrition rate. Our team size has grown from 277 employees, as of March 31, 2021, to 286 employees, as of September 30, 2021, while our attrition rate was 2.92%, 6.11%, 5.12% and 3.54% in Fiscals 2019, 2020, 2021 and in the six months ended September 30, 2021.



***Our Business Metrics***

The following table sets forth certain financial and operational key performance indicators for the periods indicated:

| Particulars | As of and for the three months ended June 30, 2021 | As of and for the year ended March 31, | | |
|---|---|---|---|---|
| | | 2021 | 2020 | 2019 |
| ***Operating Metrics – Platform*** | | | | |
| Traffic (million) | 43.64 | 102.97 | 284.50 | 426.22 |
| Conversion(1) (%) | 0.20% | 0.17% | 0.11% | 0.08% |
| App downloads | 14.31 | 14.20 | 13.53 | 12.85 |
| Number of Auto Dealers | 20,392 | 20,133 | 20,002 | 16,175 |
| ***Operating Metrics – Automobile*** | | | | |
| Number of Used Vehicles Listed | 241,013 | 238,105 | 215,847 | 169,300 |
| Used Vehicle Listed Value (₹ billion)(2) | 114.72 | 113.95 | 98.27 | 71.32 |
| Vehicle Sold (3) | 25,141 | 45,445 | 72,174 | 88,981 |
| ***Financial Metrics*** | | | | |
| Revenue from Operations (₹ million) | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |
| Loss for the quarter / year | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Loss Margin(4) (%) | (40.20)% | (50.83)% | (49.40)% | (72.12)% |
| EBITDA (₹ million) | (308.04) | (587.93) | (794.86) | (1,017.12) |
| EBITDA Margin (%) | (38.01%) | (43.38%) | (43.82%) | (69.61%) |
| GMV(5) (₹ million) | 28,158.53 | 50,194.59 | 66,976.48 | 48,972.21 |
| Gross Contribution(6) (₹ million) | 884.22 | 1,582.69 | 1,846.91 | 1,164.91 |
| Take Rate(7) (%) | 3.14% | 3.15% | 2.76% | 2.38% |
| EBITDA / GMV (%) | (1.09%) | (1.17%) | (1.19%) | (2.08%) |

*Notes:*
1. *Conversion is defined as total Orders (i.e., any transaction done on our platform) booked per visitor on the website*
2. *Used Vehicle Listed Value is defined as a sum of listed selling price of all the used vehicle listings*
3. *Vehicle Sold is defined as any automobile order transacted upon our platform*
4. *Loss Margin is the loss for the quarter / year divided by total income as a percentage*
5. *GMV is the total value of vehicles and services sold on our platform, including advertising, subscription, complimentary services and interest on loans*
6. *Gross Contribution refers to revenue from vehicles and services sold on our platform, including advertising, subscription, and interest on loans*
7. *Take Rate is defined as Gross Contribution divided by GMV*

The following table sets forth certain financial and operational key performance indicators for the periods indicated:

| Particulars | As of and for the six months ended September 30, 2021 |
|---|---|
| Traffic (million) | 89.27 |
| Number of Auto Dealers | 20,725 |
| Number of Cities | 1,151 |
| Number of Vehicle Categories | 11 |
| Number of Used Vehicles Listed | 278,807 |
| Used Vehicles Listed Value (₹ billion) (1) | 146.49 |
| Vehicle Sold(2) | 56,412 |
| GMV(3) (₹ million) | 59,347.25 |

*Notes:*
1. *Used Vehicle Listed Value is defined as a sum of listed selling price of all the used vehicle listings*
2. *Vehicle Sold is defined as any automobile order transacted upon our platform*
3. *GMV is the total value of vehicles and services sold on our platform, including advertising, subscription, complimentary services and interest on loans*

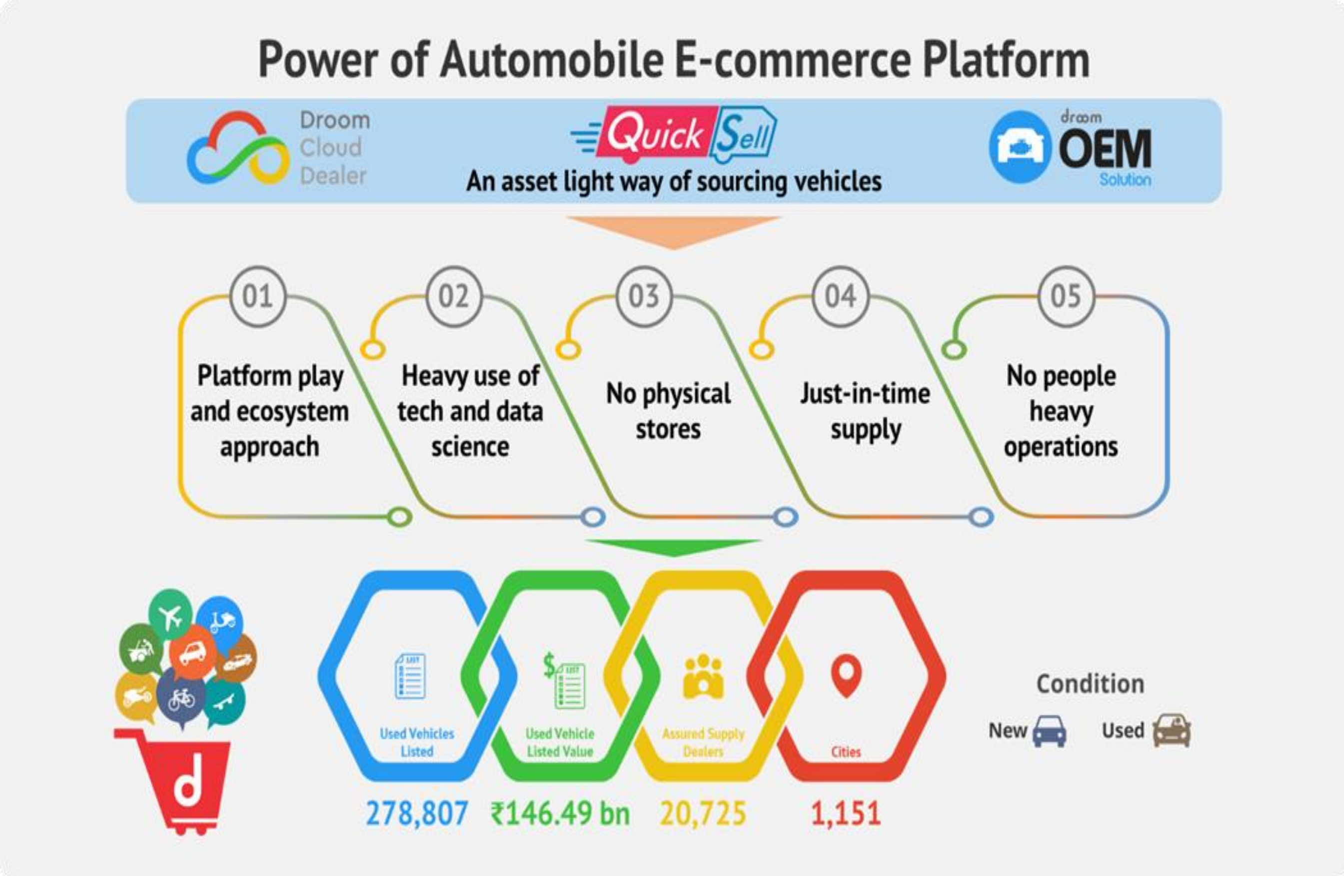
**Strengths**

***Market leader in pure-play automobile e-commerce platform***

We are one of India’s leading automobile e-commerce platforms in terms of GMV and the only major player offering completely online end-to-end offerings (*Source: GT Report*). With our proprietary and technology-driven services for certification and convenience, we offer an end-to-end e-commerce platform for buying and selling used vehicles in India. Our proprietary and the vertically integrated platform allows us to control all critical operations and transaction elements, which facilitates a fast, simple and consistent user experience.

The Indian automobile market is impacted due to expensive real estate, high cost of capital, low-trust market, inadequate enforcement of consumer protection laws, absence of large-format modern retail and an unorganized market with a fragmented seller base (*Source: GT Report*). As a purely online player, we are less susceptible to these impediments.

Certain advantages of our automobile e-commerce platform model are set out below:




*(As of September 30, 2021)*

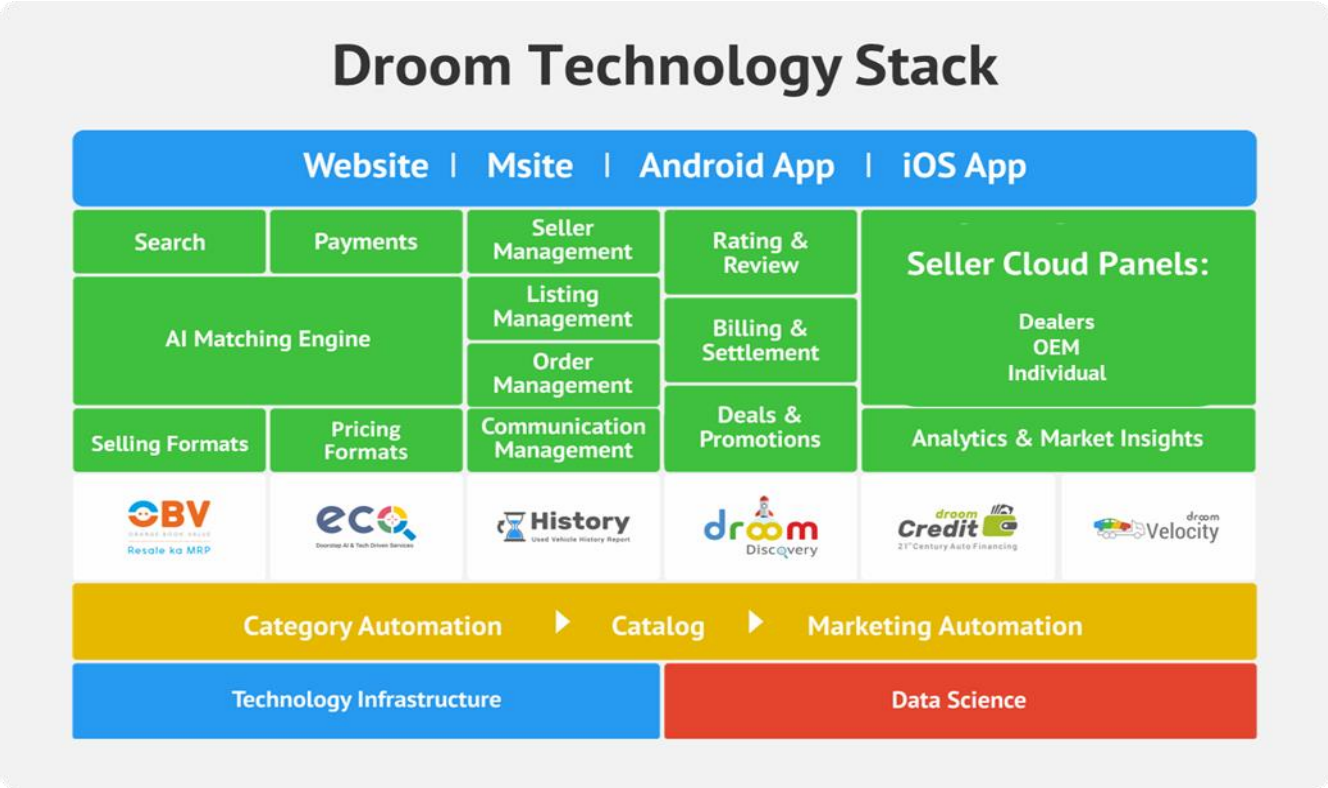
Our automobile e-commerce platform is technology-driven, asset-light, scalable with a wide reach that is category, condition, and geography agnostic. We do not own the inventory or physical stores and our operations rely on technology and data science compared with people heavy operations for sourcing, refurbishment, certification, selling and delivery. This results in significant cost savings and alleviates risks associated with inventory. We have a large selection of vehicles on our platform and as of September 30, 2021, we had over 278,807 used vehicles listed across 11 categories present across 1,151 cities in India.

Our model ensures trade velocity, economies of scale and economies of scope in that the platform is a category, condition, seller, price, and geography agnostic. Our platform caters to not just cars but also two-wheelers and other vehicle categories; both used and new vehicles; both auto dealers and individual sellers, at all price points and is available across the country.

Our platform also provides sellers with access to a massive user base and significantly extends their geographic reach, improving the efficiency and effectiveness of the selling process and, in the case of our business sellers, the overall operations of their business, including helping them source vehicles and optimize inventory turnover, marketing strategy and vehicle distribution.

***Technology and data science company offering a superior value proposition to the entire automobile value chain***

We believe that our automobile e-commerce platform not only offers a 21st-century automobile buying and selling experience but also a model that is economically viable independent of scale due to the use of technology, the economy of scale, economy of scope, assets light, and network effects.




We follow a user-centric strategy for our technology infrastructure and have developed an intelligent, robust, and scalable cloud-based platform with modular solutions and easy-to-use plug-ins. We are able to adapt our technologies to meet buyers' and suppliers' requirements and also capture new opportunities. Our proprietary technology and data analytics capabilities drive all aspects of our business and we have been increasing our spending on developing these technologies. We leverage new-age technologies such as AI, ML, IoT, augmented reality ("AR") and virtual reality ("VR") and have adopted a data-driven consultative sales experience which in our experience ensures user satisfaction. We provide users with an intuitive interface accessible at any time on various platforms including on iOS, Android, M-Site, desktop and as a widget. As of September 30, 2021, we had 14.46 million cumulative downloads of our mobile app.

We have accumulated quality, proprietary, and relevant scenario-based data insights from all stages of the vehicle ownership life cycle, based on which we were able to continuously train, iterate and optimize our algorithms and models. We have a large technology team that is dedicated to continuously developing our platform offerings and as of September 30, 2021, 96, or 33.57%, of our employees were engaged in technology and product development roles. We undertake technology and data science research for automobile e-commerce and as of September 30, 2021, our Promoter and CEO, Sandeep Aggarwal has filed for one patent in India which is yet to be granted. The patent for our proprietary technology, OBV, is owned by our Promoter and CEO, Sandeep Aggarwal. It was granted by the US Patent & Trademark Office on May 28, 2020. Further, our Promoter and CEO, Sandeep Aggarwal has also filed 10 patents with the US Patent & Trademark Office that are yet to be granted. We have developed and continue to optimize an AI-based user intelligence engine that can rapidly gather user intelligence by analysing large amounts of data from many sources. Our data-driven approach assists in customising search results on the platform, enhancing user experience and inventory management for auto dealers.

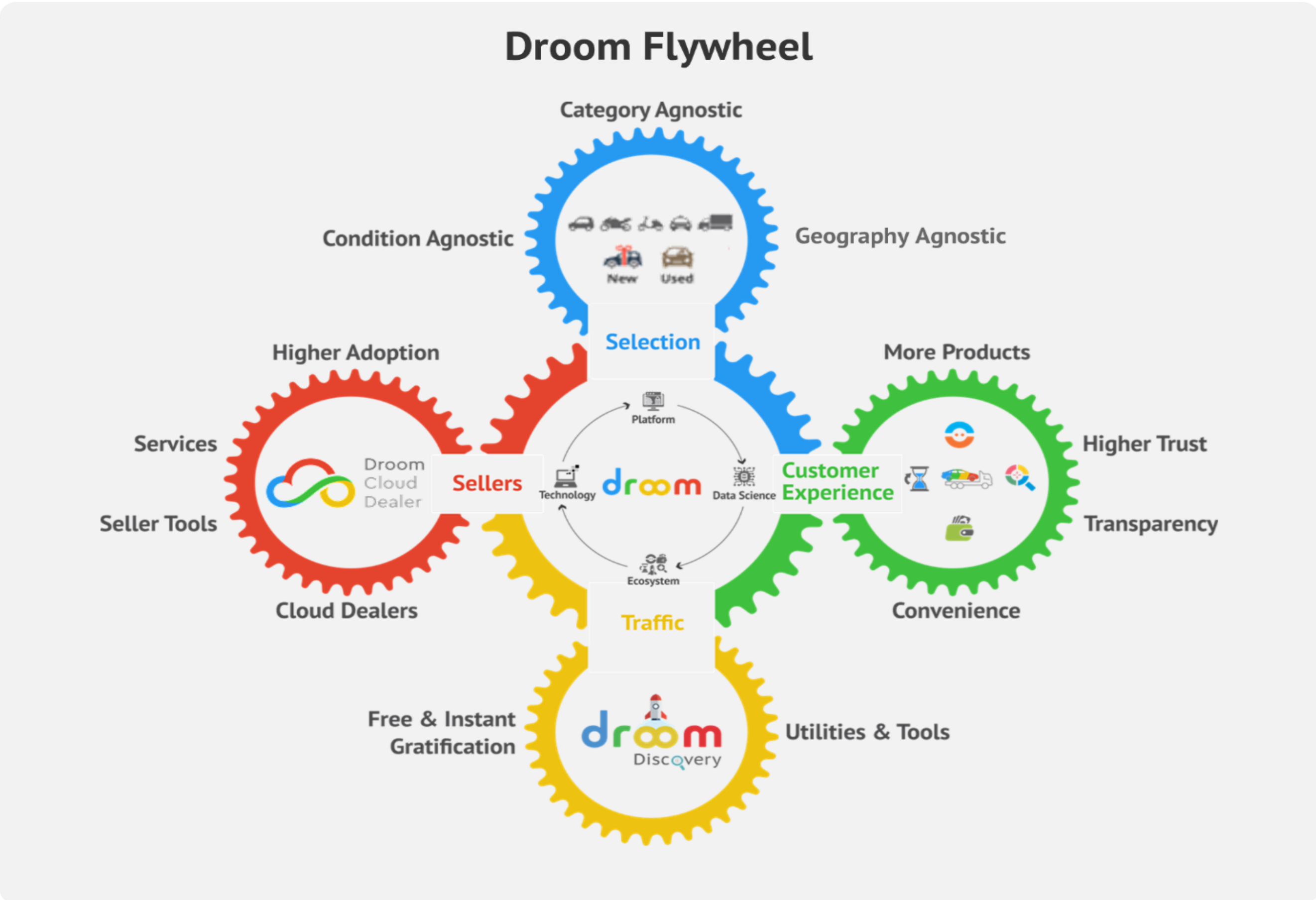
While building technology-driven products and services we keep in mind user experience, scale, use of data and algorithm, use newer technologies such as AI/ML, speed to market, power of prototype, long-term approach, modular, flexible and extensible technology.

***Diverse range of proprietary technology-driven ecosystem products and solutions***

Technology is the foundation of our business. Our focus on technology has led us to develop a suite of ecosystem products including *OBV*, our used vehicle pricing engine for which we currently hold a valid patent in the United States. Our solutions also include *ECO*, an AI-based vehicle inspection service, *History*, a database of historical vehicle records, *Droom Discovery*, a vehicle research tool and *Droom Credit*, an automobile focused lending platform, all of which have been developed entirely in-house by our technology team. This enables us to rapidly develop modular solutions and add new products to our platform in line with our growth strategies and scale our technology solutions without significant incremental costs. We have also recently introduced *Droom Velocity* with a focus on last-mile service. Our AI-driven matching engine results in quality listings, fair pricing, convenience for users, eliminates information asymmetry and moral hazard problems thereby facilitating trust, transparency, and transaction velocity. Our ecosystem services act as building blocks on which we can manage a user's entire transaction journey on our platform and offers a seamless experience.

***Scale driving network effect***

Over the years our investment in technology and infrastructure, combined with our ecosystem of products and services around our core e-commerce platform has resulted in a self-reinforcing flywheel underpinned by strong local network effects and operating leverage. Our platform benefits from a virtuous cycle driven by our scaled, digital platform and the data and technology we leverage every day. A larger seller base on our platform leads to more selection options and better price discovery for our buyers. (*Source: GT Report*) This helps drive a better experience, greater user engagement on our platform and accordingly, greater conversions thereby increasing user loyalty. This attracts more users to our platform, leads to more transactions through our platform and results in lower marketing and promotion expenses for us. Growth in organic traffic and the higher trade velocity in turn strengthens sellers' value proposition, attracting additional sellers to our platform and increasing our seller retention rates. This leads to greater scale, driving more vehicles and users to our platform and market data accumulated over seven years, which helps grow our data and technology moat. As we collect more data, we are able to further strengthen our value proposition to buyers and sellers, which in turn drives assured supply and scale, helping us further drive consumer experience and more transactions. These network effects are evident in terms of our geographical reach that extends to 1,151 cities, over 278,807 used vehicle listings from over 20,725 auto dealers, as of September 30, 2021.




Our data and technology enable economies of scale that improve our value-added transportation and financing services. As we continue to grow and offer more comprehensive and efficient services, our users can further benefit from a more streamlined, simple, and consistent experience across the full used vehicle lifecycle. These reinforcing flywheel effects continuously improve our scale, e-commerce led supply and selling, and data and technology for our users, resulting in growth for our platform. Over the years, we have expanded our operations to build technology platforms that have allowed us to scale our offerings.

Our network effects are evident from our peak-time metrics below.

**Peak Throughput – Key Metrics**

| | Hourly | Daily | Monthly |
|---|---|---|---|
| Traffic (mn) | 0.62 | 9.39 | 50.92 |
| Vehicle Sold | 708 | 1,640 | 14,832 |
| GMV (₹ bn)* | 1.15 | 2.30 | 11.46 |
| Vehicles Listed | 11,441 | 99,512 | 428,497 |
| Listed Value (₹ bn) | 24.70 | 57.03 | 243.50 |

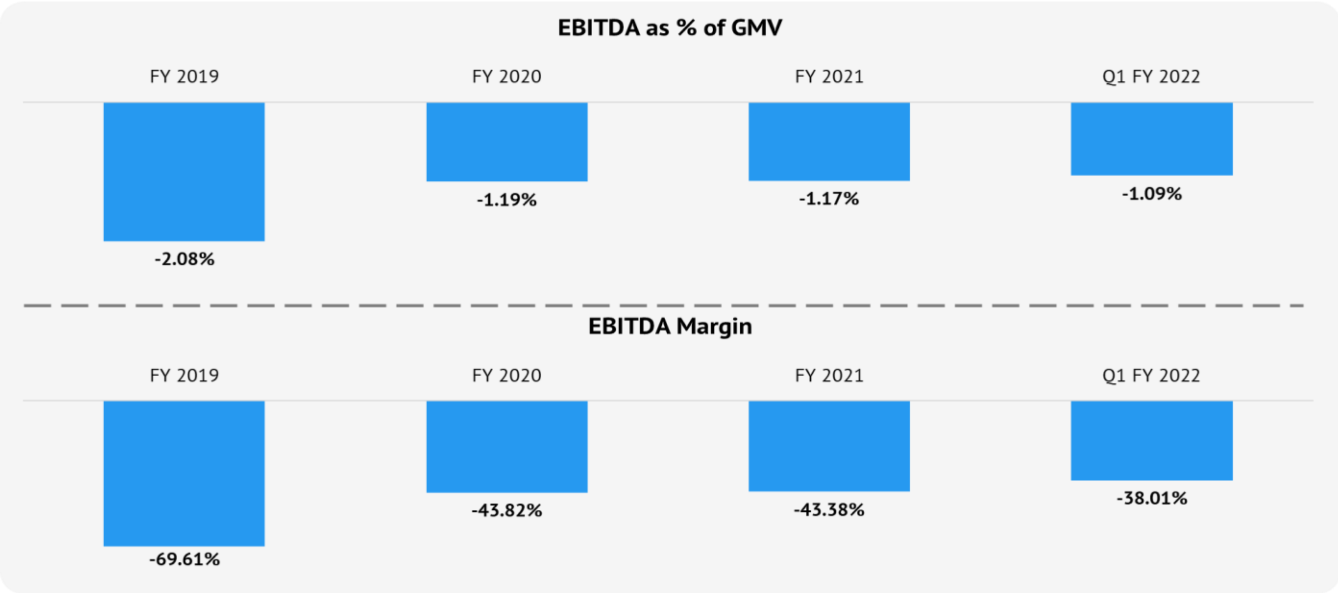
*GMV for vehicles sold

*(As of September 30, 2021)*

***Robust unit economics, high operating leverage, and sound financial profile***

We are the only major Indian player with a completely online transaction model (*Source: GT Report*) that both enables and improves used car commerce for consumers and businesses across India. We have an asset-light business model and a lean cost structure. We do not own the vehicles listed on our platform. This enables us to be capital-efficient and scale our business with minimal marginal costs. We offer one of the most comprehensive offerings among the major players in the industry (*Source: GT Report*) that allows users access to a broad selection of vehicles through mobile apps and websites with comprehensive and accurate vehicle information and a seamless transaction experience.

Since the commencement of operations, our platform has facilitated the sale of 373,867 vehicles. Our vehicle Orders were 88,981 in Fiscal 2019, 72,174 in Fiscal 2020, 45,445 in Fiscal 2021 and 25,141 in the three months ended June 30, 2021. Our vehicle Orders decreased in Fiscal 2021, owing to lockdown induced due to COVID-19. The number of auto dealers on our platform have increased at a CAGR of 11.57% from 16,175 as of March 31, 2019, to 20,133 as of March 31, 2021, and were 20,725 as of September 30, 2021.




Our operating expenses as a percentage of GMV has declined from 5.06% in Fiscal 2019 to 3.87% in Fiscal 2021, while as a percentage of revenue from operations declined from 182.25% to 155.02% in such periods, as we can leverage our operations, sales and marketing and technology. This operating leverage has resulted in our EBITDA as a percentage of GMV being -2.08%, -1.19%, -1.17% and -1.09% in Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, while our EBITDA margin was -69.61%, -43.82%, -43.38% and -38.01% in Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021. Our operating model provides us with flexibility, agility, and speed as we scale our business, without taking on the unnecessary risk and capital investment inherent in direct investment.

***Founder-led experienced management team***

We are led by an experienced leadership team with significant industry experience. Sandeep Aggarwal, our Founder, Promoter, Chairman, Whole-time Director and Chief Executive Officer, has over 20 years of experience in the technology and start-up space and has in the past founded, ShopClues.com, a leading Indian e-commerce platform. He has also been associated with Microsoft and Schwab in the past. He has been recognized as among the 30 Influential Business Leaders 2017 by Insight Success and has been awarded DigiXX Person of the Year by DigiXX Awards 2018, Digital Entrepreneur of the Year 2018 at Haryana Gaurav Award, and Business Leader of the Year 2018 by the World Federation of Marketing Professionals. Our senior management team has extensive experience across various industries ranging from technology, consumer, and professional services. Our Board comprises a combination of management executives and independent members who collectively add a significant business, governance standards, operational, technology, finance, investment expertise, including in the areas of e-commerce, automotive, finance, and technology.

We invest in our people and believe our culture is our biggest strength. As a technology and data science company with proprietary tools and ecosystem products, our work environment must harbour innovation, disruption, speed to market and a high sense of ownership and pride.


Our Holding Company, Droom Pte. Ltd. is backed by several marquee institutional shareholders, such as Lightbox Ventures II, Lightbox Expansion Fund, Beenos, Beenext, Toyota Tsusho, DG Ventures and 57Stars among others. We have benefitted from the capital infusion, professional expertise, and long association of our shareholders.

**Strategies**

***Maintain our market leadership position by capitalizing on industry tailwinds due to the secular adoption of automobiles ownership and buying and selling shifting online***

The automobile industry in India, which includes new and used vehicles and associated services in is poised to grow at a CAGR of 16.4% between Fiscal 2021 and Fiscal 2026 to reach ₹42,530 billion by 2026. Growth in the Indian auto industry is expected to be driven by changing consumer preference for personal mobility, increased disposable income and favourable government initiatives. The motorization rate will increase up from 22 cars per 1,000 people in 2019 to 175 cars per 1,000 people by 2040. The average duration of ownership of a car in India has reduced due to increasing disposable income among consumers. The used to new car ratio is expected to grow from 1.65x in Fiscal 2021 to 2.23x by Fiscal 2026. The driving forces of such growth include the rising middle class and young population, coupled with increasing disposable incomes and urbanisation leading to a growth in new vehicle sales in India. The growth in used vehicle sales is driven by transparency, convenience and ease of transactions, digital banking, and payments, as well as the certified quality of vehicles. (*Source: GT Report*) In addition to the growth in the automotive market, which we expect will benefit us greatly, we also expect a further increase in the digitalization of the automotive sector. As part of the auto evolution, emerging technologies such as AI, IoT and ML are being leveraged by players in the industry to enhance product development and delivery capabilities (*Source: GT Report*).

***Continue to develop auto dealer and seller network through technology and community outreach***

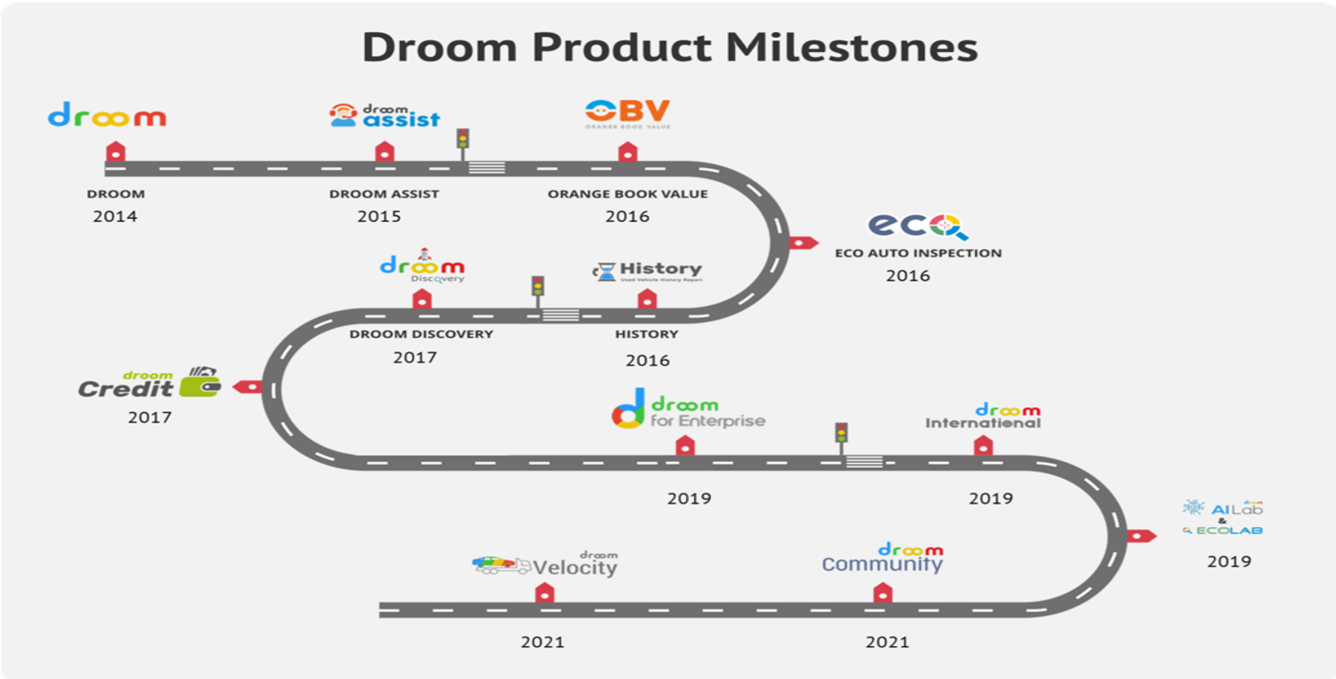
We have onboarded over 20,725 auto dealers from 1,151 cities across India, as of September 30, 2021. Since the commencement of our operations, auto dealers and sellers on our platform have provided us with over 3.70 million vehicle listings. We intend to continue to build technology, tools, and services for auto dealers so that they can adapt to evolving e-commerce opportunities. Our intuitive technology and our ability to harness a distributed network for supply will translate into our platform experiencing vehicle listing that no physical automobile dealership can match.

In addition to developing technology, tools and services for auto dealers, we also intend to create an engaged dealer community. We currently offer online education content, webinars, seller meets and seller summits, and rewards and recognition. We intend to continue to undertake such efforts to develop our dealer network. We also intend to focus on developing other sources of supply through our use of technology and data and focus on individual sellers, repossessed vehicles, and exchange/trade-in vehicles.


Since inception, 303,675 auto dealers have signed up on our platform, as of September 30, 2021. We selectively onboard auto dealers based on our proprietary '10Cs' model to ensure that auto dealers meet our standards and as of September 30, 2021, we had over 20,725 auto dealers. Going forward, we intend to continue to selectively expand our dealer network.


***Continue to invest in technology, data science, ecosystem, and infrastructure***

We are a technology and data science company enabling automobile buying and selling online. Since commencing our operations, we have grown our platform by regularly adding new products and services. We have invested in building an experienced engineering and design team to develop innovative solutions for our sellers, auto dealers, and buyers. This enables us to further enhance our sellers and auto dealers' businesses and provide a better experience for our users, as well as improve engagement and generate stronger unit economics and operating leverage for our platform. We are dedicated to continuous innovation through investment in technology, data science, ecosystem, and infrastructure to drive the growth of our business.




We plan to expand our operations by broadening and deepening our service offerings by leveraging our AI and big data capabilities to develop innovative offerings that address all aspects of a user's vehicle transaction journey. We intend to continue to build auto dealers and sellers focused technology, tools and services that allow us to offer an assortment of automobiles online.

***Expand into new geographies and additional verticals of high margin automobile services through technological innovation, deeper integration, and customer service***

We intend to continue to expand domestically as well as internationally. Within India, our platform covers 1,151 cities, as of September 30, 2021. Non-metro cities and towns in India are expected to grow faster in the coming years (*Source: GT Report*). Our focus going forward will be to deepen our penetration in such cities. To grow our network in these cities, we intend to onboard additional auto dealers to ensure that we have an adequate supply of vehicles to address the demand from consumers. We will also undertake targeted marketing campaigns to educate potential users about the features of the *Droom* platform and also make it available in several regional languages to ensure faster adoption.

We commenced our international operations in November 2018 in Malaysia and have since expanded our operations to offer *OBV* in 38 countries, including Saudi Arabia, Singapore, and Vietnam, as of September 30, 2021. By expanding into markets internationally, we expect to serve a total addressable market (in terms of online passenger vehicles) in South-East Asia and the Middle East of USD 13.4 billion in 2020 and is expected to grow to USD 28.9 billion in 2025 (*Source: GT Report*). Going forward, we intend to commence operations of the *Droom* platform with its entire functionality in countries in the Middle East and South-East Asia. In the Middle East, we intend to launch the platform in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, and Egypt while in Southeast Asia, we intend to target countries such as Indonesia, Thailand, Vietnam, Malaysia, Philippines, and Singapore. We expect that our asset-light and scalable business model will allow us to serve these geographies efficiently while ensuring sustained revenues for our growth.


*Expand into additional verticals*

Given that our business is not dependent on physical retail or owning inventory, we have flexibility and economies of scope to expand beyond cars and two-wheelers into other vehicle categories such as commercial, construction, mining, and agriculture vehicles.

Traditional OEMs are rationalizing their physical presence and are focusing on building an online presence. OEMs in the electric vehicle segment prefer to avoid costs associated with physical centres. (*Source: GT Report*) We intend to continue to partner with OEMs to serve as their digital platform for their product launches. Our scaled platform coupled with our ecosystem of digital offerings ensures that we are well-positioned to capitalize on such growth opportunities. With our well-defined transactional approach, we intend to mitigate information asymmetry for users, seek to eliminate the moral hazard and increase trust and transparency which would result in higher trade velocity.

We are dedicated to continuous innovation through leveraging our proprietary technology and investment in technology to drive the growth of our business. We intend to expand our operations by broadening and deepening our service offerings by leveraging our AI and big data capabilities to develop innovative offerings that address all aspects of a user's vehicle transaction journey.

*Monetize loan and insurance*

We intend to increase monetization opportunities by focusing on the financial aspects of the last mile delivery we offer. In particular, we expect to further monetise our loan and insurance offerings with *Droom Credit*. We intend to improve our ability to cross-sell financing and insurance options to buyers. *Droom Credit* uses advanced algorithms to provide paperless and transparent financing options. We believe that will result in a higher attachment to the financing and insurance options we would offer to users as we integrate them in the buying process. We also intend to offer additional insurance options as part of our last-mile delivery services. Buyers will be able to input their basic information and purchase insurance with a customisable coverage scope.

*Last-mile delivery*

To create a seamless transaction journey for parties involved, we intend to further develop *Droom Velocity*. With *Droom Velocity*, we intend to offer doorstep delivery of vehicles to buyers, registration and transfer of ownership, and other value-added services, all online.

***Focus on building the 'Droom' brand***

We believe that our brand is one of our most important assets and since inception, we have made substantial investments in building the '*Droom*' brand. We intend to continue to focus on developing the '*Droom*' brand that we believe symbolises selection, low price, trust, transparency, and convenience. We will continue to invest in brand advertising, digital marketing, and performance marketing to accelerate digital adoption. Our marketing spends will be focused on platform adoption, user engagement, affinity, and retention.

*Digital marketing*

We ensure that our digital marketing programs have measurability targetability, are data-driven, approach and are focused on generating return on investment. We undertake digital marketing programs that include paid searches, search engine optimization, social media marketing, video marketing, email marketing, affiliate and alliances, partnerships, app downloads, and influencer marketing.

*Performance-based marketing*

As a consumer Internet brand with a strong focus on technology, product, and platforms, we believe that our main source of ensuring adoption of our platform is a performance-based marketing. We intend to continue to focus on our performance-based marketing towards users' acquisition and the growing lifetime value of the users.

*Brand investment*

Our brand marketing efforts include 'above the line' and 'below the line' activities. We have in the past undertaken TV commercials that have been award-winning and have helped us position ourselves well as a foremost e-commerce brand for the automobile category.

Our investment into brand-building has resulted in an increase in our paid traffic which has resulted in economies of scale leading to higher net revenues compared to our marketing spend.

We will continue to spend our marketing budgets on performance-based marketing, digital marketing, and branding marketing to increase the adoption of our platform while at the same time ensuring return on investment.

***Continue to improve unit economics and focus on profitable growth***

We have over the years continued to grow the scale of our operations and deploy more and more technology which has, in our experience, resulted in better unit economics. Our scale has helped us to reduce our fixed infrastructure cost on a per-unit basis. We have been able to bring efficiency in our marketing spend because of free traffic growing faster than paid, paid traffic getting cheaper owing to the learning curve and scale. Going forward, we will continue to focus on growth in a profitable and sustainable manner. We will continue to invest in technology, data science, infrastructure, and processes that will ensure we improve our unit economics.

***Selectively pursue strategic investment and acquisition opportunities***

While we continue to expand our business organically, we intend to evaluate and selectively pursue strategic investment and acquisition opportunities across the automobile value chain to supplement and complement our existing services and strategies when such opportunities arise. The focus of our proposed acquisitions would be to enhance our technologies and products and in particular in the blockchain, AI / ML, big data analytics and IoT space. To ensure the faster roll-out of *Droom Velocity*, we may consider the acquisition of regional or last-mile delivery service providers. We also intend to acquire entities that will help us expand our user base as part of our proposed international expansion strategy. Our extensive industry experience and insights enable us to identify suitable targets and effectively evaluate and execute potential opportunities. We believe such acquisitions will support our long-term strategy, strengthen our competitive position, and aid in acquiring technical expertise and achieving greater scale to grow our earnings and increase shareholder value. For further information, see "*Objects of the Offer*" on page 80.

***Impact of COVID-19***

Due to the country-wide and prolonged lockdown, the first wave of COVID-19 pandemic from March 2020 until September 2020, impacted our business operations. We witnessed minimal business activities during this period. However, during the second wave of COVID-19 in April 2021, our pure-play online e-commerce model with no physical stores and inventory exhibited higher resilience with limited impact on our business operations.

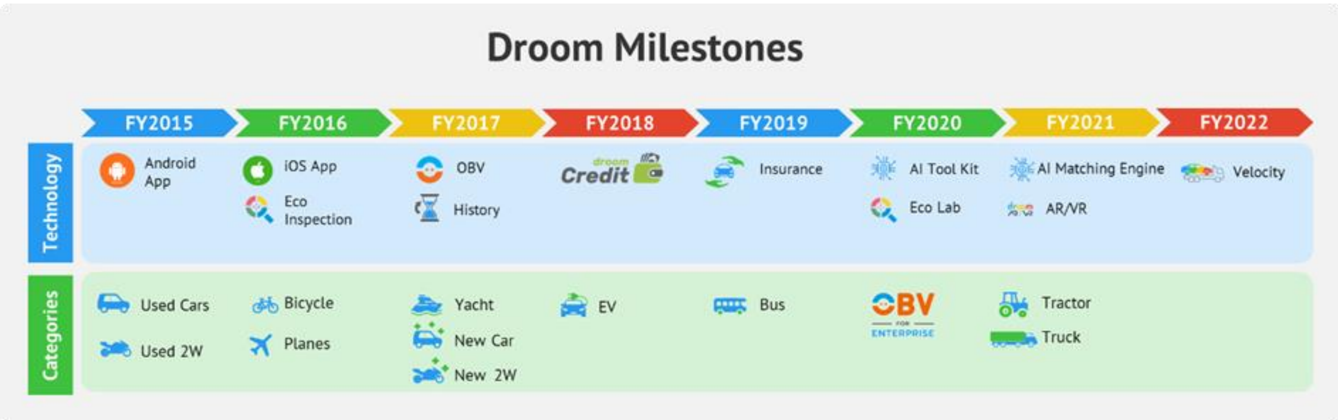
In response to COVID-19, we have implemented several measures to protect the health and safety of our employees and our dealer community, proactively reduce operating costs, conserve liquidity, and position ourselves to emerge from the current crisis in a healthy financial position. These measures include the institution of work-from-home policies wherever feasible and the implementation of strategies for workplace safety at our offices. Additionally, we adjusted our delivery protocols to provide contact-free delivery and pickup of vehicles.

While our Orders declined significantly in the first two quarters of Fiscal 2021, we have witnessed a recovery in the last two quarters of Fiscal 2021 and in the three months ended June 30, 2021. Similarly, our GMV declined on account of COVID-19 in the first two quarters of Fiscal 2021 but has been consistently increasing since the third quarter of Fiscal 2021 and in the three months ended June 30, 2021.

**BUSINESS OPERATIONS**

**Evolution of Droom**

We commenced operations in 2014 and have since expanded over the last seven years. Our auto e-commerce platform has evolved from various apps to a full suite of technologies aimed at a seamless vehicle sale and purchase process. We have also expanded the categories of vehicles have also expanded, from used cars and two-wheelers in 2015 to new personal and commercial vehicles, to other vehicle categories, including bicycles, yachts, and planes. Our expansion is also evident in our geographical presence where we began operations covering a single location in 2015 to covering 1,151 cities across India, and three countries in Southeast Asia, as of September 30, 2021.



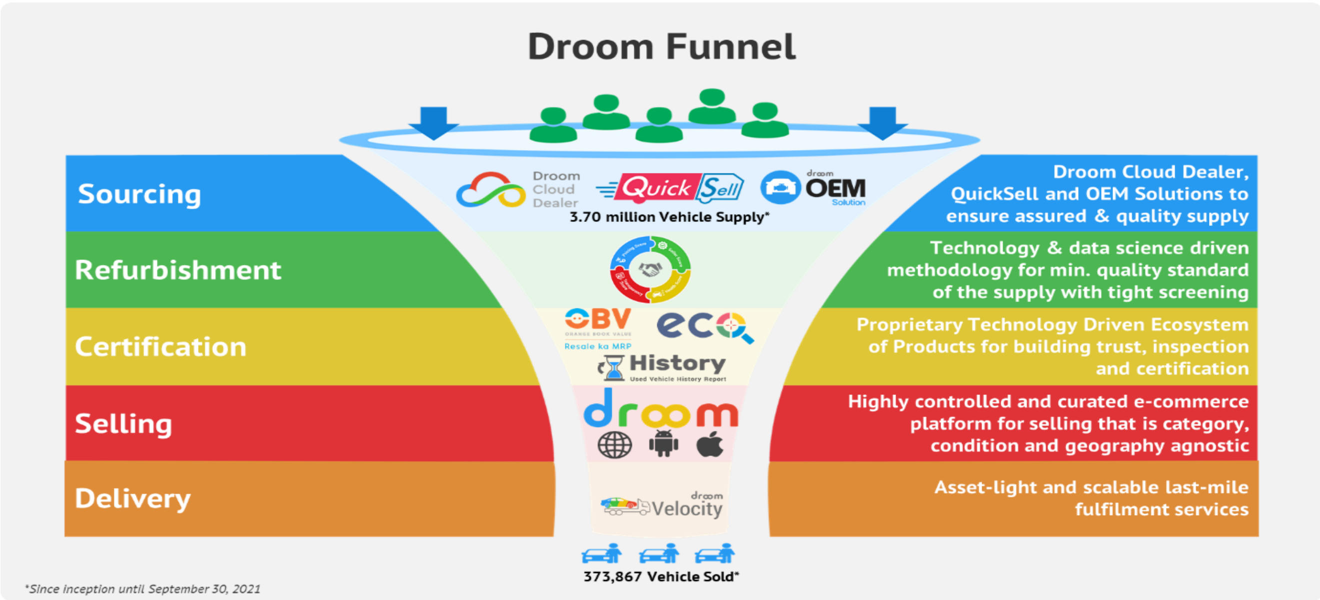

**Our Platform**

We operate an auto e-commerce platform with a vertically integrated first mile to last-mile services where buyers are connected with sellers and the transaction between the parties are conducted on an online and self-service basis with customisable services including obtaining loans, purchase of insurance and other ancillary services. The platform also facilitates the exchange and renting of vehicles, provides parties with a variety of ways to have possession of a vehicle, in both long and short terms.


***Transaction Management***

Our platform provides prospective sellers and buyers with a differentiated transaction experience compared with traditional auto dealers with physical shops, or automobile dealing platforms with large parts of the transaction being held offline. With our end-to-end transaction management, we can support users online from the point they decide to buy or sell vehicles, browse the listings, or list their vehicles, explore financing arrangements, select optional and customisable value-added products, to the point where possession of the vehicle leaves the seller and resides with the buyer.

We largely divide our transaction management into five segments: sourcing, refurbishment, certification, selling and delivery.




*Sourcing*: Sourcing of assured supply from auto dealers (using *Droom Cloud Dealer* that is an online dealership and vehicle listing management platform), end consumers (using *QuickSell* that is a consumer-to-business auction platform) and OEMs (using *Droom OEM Solutions* that is an e-commerce platform for organized dealer network).

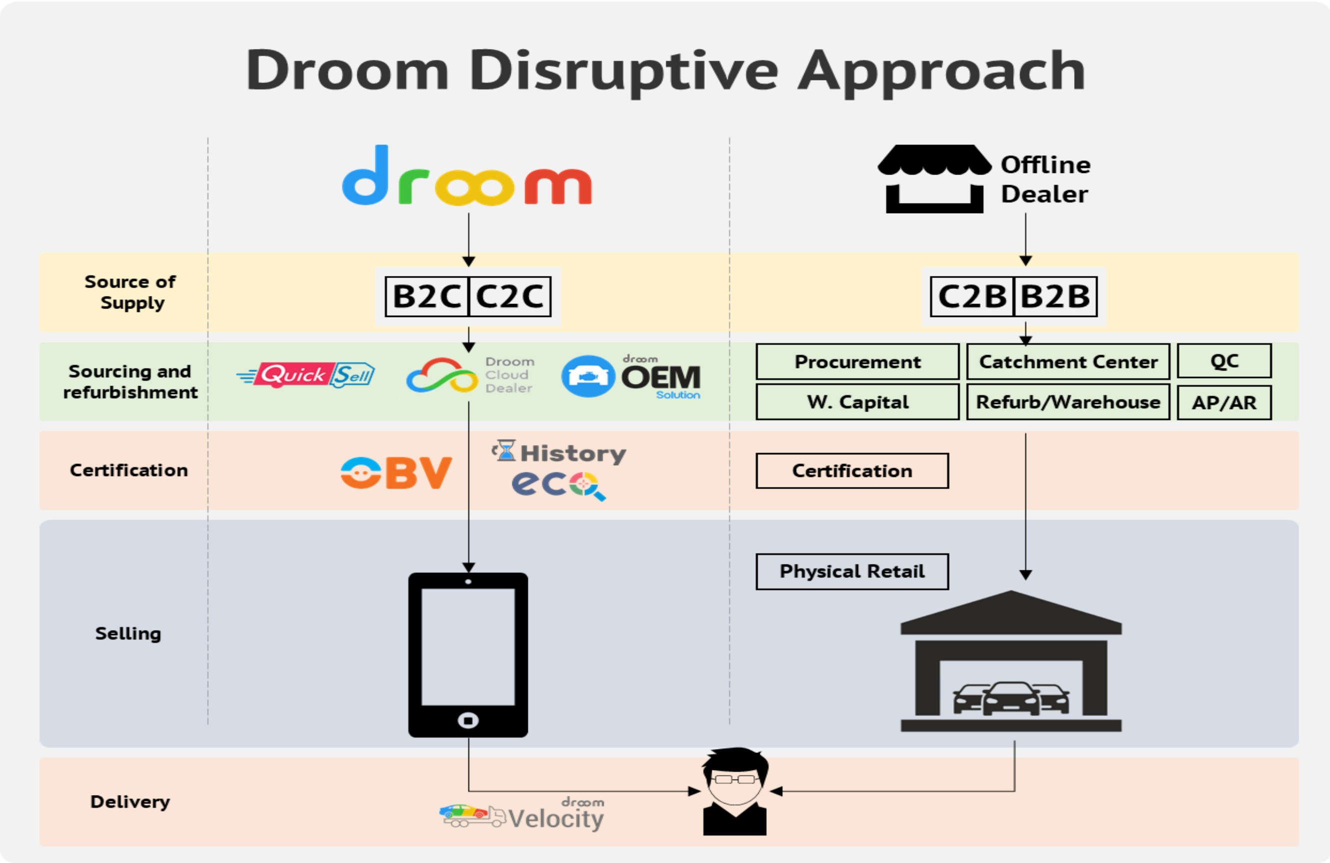
*Refurbishment*: Technology and data science-driven methodology to ensure minimum quality standard of the supply on the platform.

*Certification*: Proprietary technology-driven ecosystem of products for inspection and certification.

*Selling*: Controlled and curated e-commerce platform that is category, condition, and geography agnostic.

*Delivery*: Asset-light and scalable model with last-mile fulfilment services, including vehicle registration and delivery services.

For all of the above transaction management elements, Droom is leveraging technology and data science to offer an improved customer experience that is scalable and cost-efficient than the offline model.




**Droom Ecosystem**

We offer a range of services as part of our platform ecosystem. Certain of these services are set out below.

**Droom Products Overview**

| Product | Utility | Launched | Traction |
|---|---|---|---|
| droom | Automobile E-Commerce | FY2015 | 373,867 Vehicles Sold* |
| OBV | Vehicle Pricing Engine | FY2017 | 450.72 million Queries* |
| History | Vehicle History Records | FY2017 | 1,154 RTO's Data in Droom's Database** |
| eco | Vehicle Inspection | FY2016 | 1,110+ Inspection Points for Cars |
| droom Credit | Used Vehicle Loan | FY2019 | 113,893 Loans Disbursed* |
| droom Discovery | Vehicle Research Tools | FY2018 | 23 Buying Tools |
| droom Velocity | Last-mile Fulfilment | FY2022 | Launched in Delhi NCR |

*Since inception until September 30, 2021

***With more than 30 vehicles

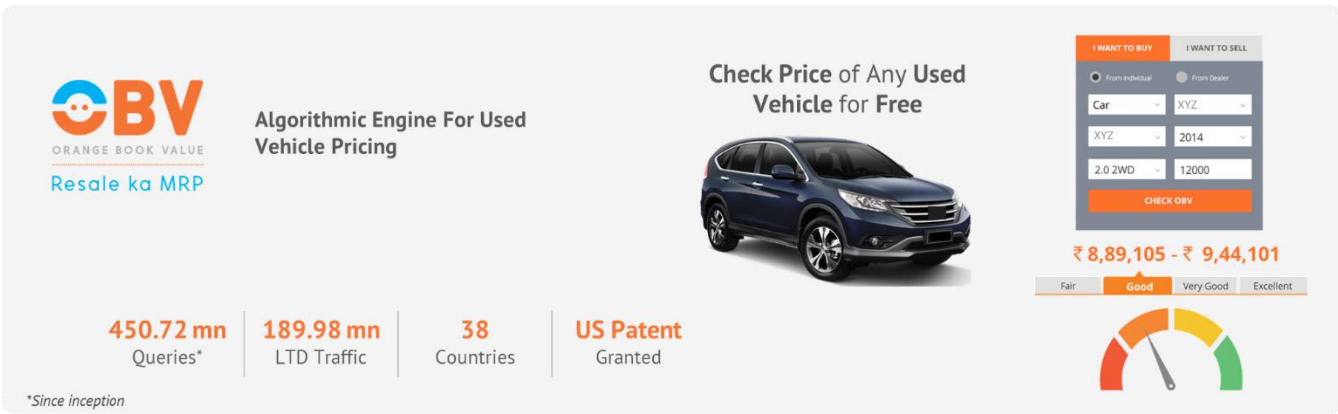
*(As of September 30, 2021)*

*Droom Discovery – Vehicle Research Tools*

*Droom Discovery* offers dozens of pre-buying research tools for the vehicle such as product research, the total cost of ownership, vehicle comparison, news, blogs, ratings, reviews, videos, and others. *Droom Discovery* helps buyers address questions during the pre-buying phase. *Droom Discovery* offers information about a vehicle including its price across multiple cities, photo gallery, ownership cost, EMI, news user reviews and expert reviews. Using this information, a buyer can conduct thorough research on his preferred vehicle and compare it with other vehicles to make a smarter buying decision.


*OBV – Used Vehicle Pricing Engine*

*OBV* is an algorithmic pricing engine to find the fair market value of any used vehicle for free. *OBV* is a technology and data science-based online tool that provides users with the value of a used automobile. With *OBV*, users have a scientific way to know the fair market value of a vehicle. *OBV* is based on various factors such as make, model of the vehicle, year of manufacture, trim, mileage, fuel consumption, vehicle condition, colour and dealer details. Since we launched *OBV* in 2016, we have seen over 450.72 million pricing queries, and over 4.52 million app downloads. As of September 30, 2021, OBV covers over 373,811 products for cars, two-wheelers, and other vehicles across the 38 countries. We also generate revenues from the sale of our OBV reports.




*(As of September 30, 2021)*

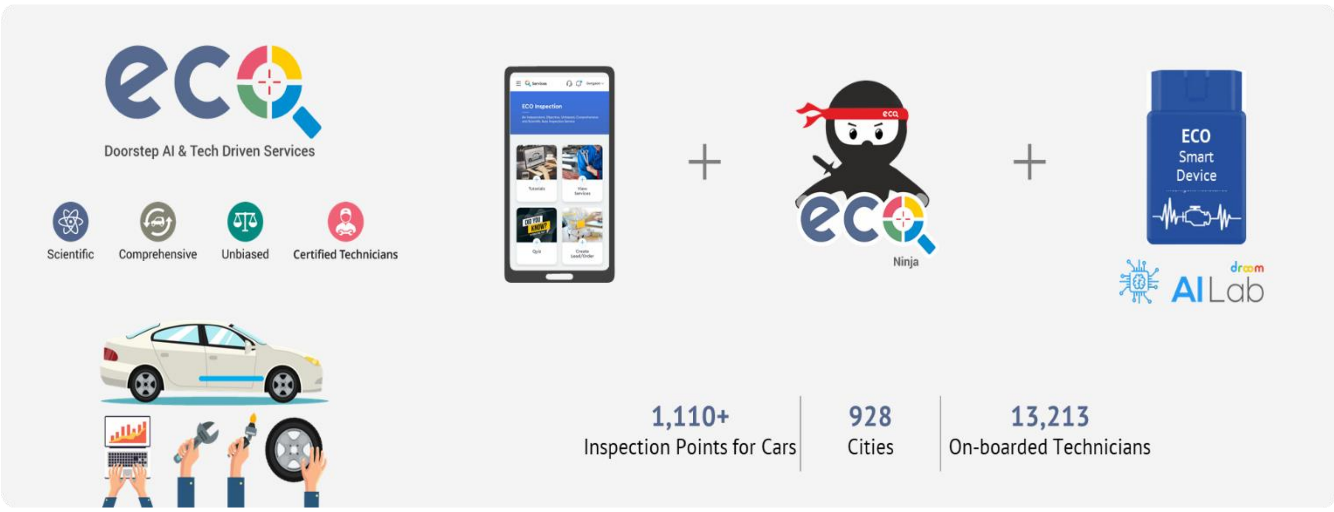
*History – Used Vehicle Historical Records*

*History* is a national repository for vehicle history reports covering up to 28 different history records. The information covered in the *History* report includes ownership information, registration details, vehicle details, insurance details transaction history, and hypothecation details etc. The report helps users to check any vehicle's history online. The report is generated using our proprietary technology through the vehicle's registration number based on information collated from various authorized data providers including regional transport offices. It addresses issues related to a vehicle's safety and value.


*(As of September 30, 2021)*

*ECO – AI and Technology-Driven Doorstep Vehicle Inspection Service*

*ECO* offers a scientific, comprehensive and unbiased way to get an auto inspection for a used vehicle with over 1,110 inspection points for cars. The *ECO* auto inspection service is built on our proprietary auto inspection methodology that includes a mobile app, IoT device, cloud infrastructure, AI toolkit and certified auto mechanics. Following the inspection, the information generated by the *ECO* report is also fed into OBV to refine the pricing of the vehicle. We offer training to technicians or our ECO Ninjas before onboarding them. We have entered into arrangements with third-party vendors to offer *ECO* service to users. As of September 30, 2021, *ECO* is available in over 928 cities in India with 13,213 technicians on-boarded from across the country. Besides over 1,110 inspection points for cars, *ECO* also provides repair estimates, ratings and reviews for auto mechanics and independently taken pictures of the listing.



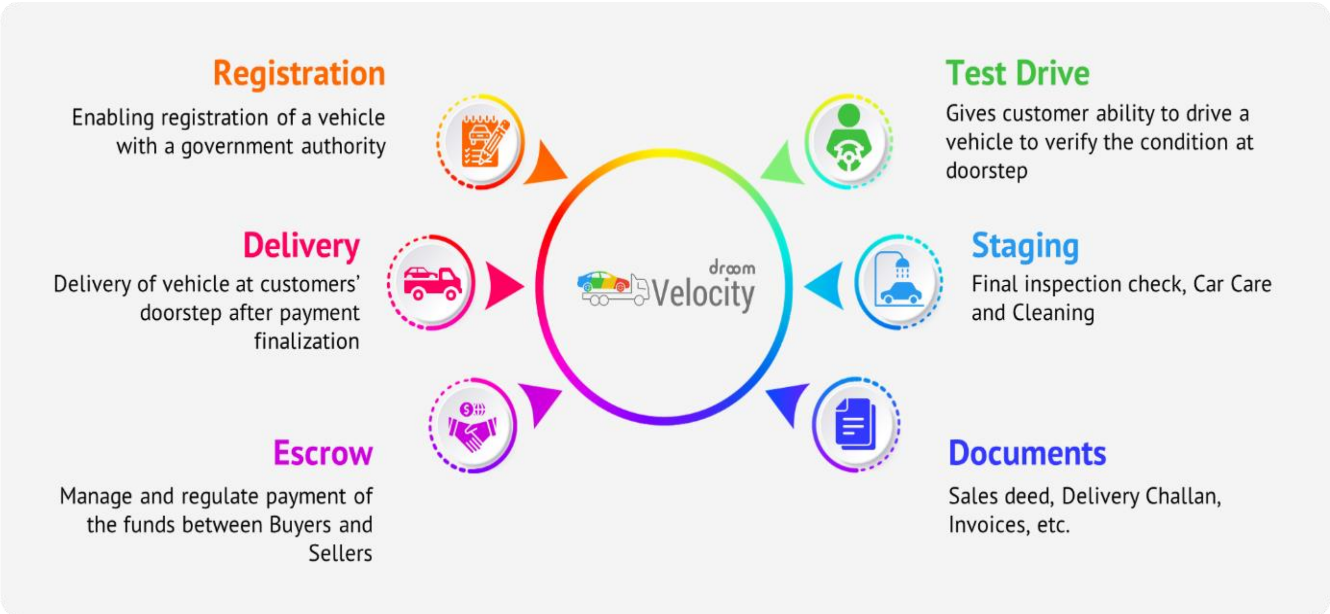

*(As of September 30, 2021)*

*Droom Credit – Auto Loans and Insurance*

*Droom Credit* is our proprietary service for facilitating auto loans and insurance. In order to make the auto loan process smooth, affordable, efficient and paperless, we have developed *Droom Credit*, a data-driven, instant, paperless platform to obtain auto loans. We have arrangements with banks and NBFCs like YES Bank Limited, Tata Capital Financial Services Limited, Bajaj Finance Limited, Antworks Financial Buddy Technologies Limited and Muthoot Capital Limited. We generate facilitation fees from our arrangements with such NBFCs. At the centre of *Droom Credit* is our proprietary credit risk engine combined with *OBV*, *ECO*, *History*, seller transaction history and buyer credit profile. Since *Droom Credit* is an online platform with multiple lenders competing for the same business, borrowers are able to obtain credit terms that may otherwise not be available in the traditional system. Since we launched Droom Credit in 2018, we have disbursed 113,893 loans including auto loans, token finance, dealers' financing and personal loans.


*Droom Velocity – Last-mile Fulfilment and Delivery*

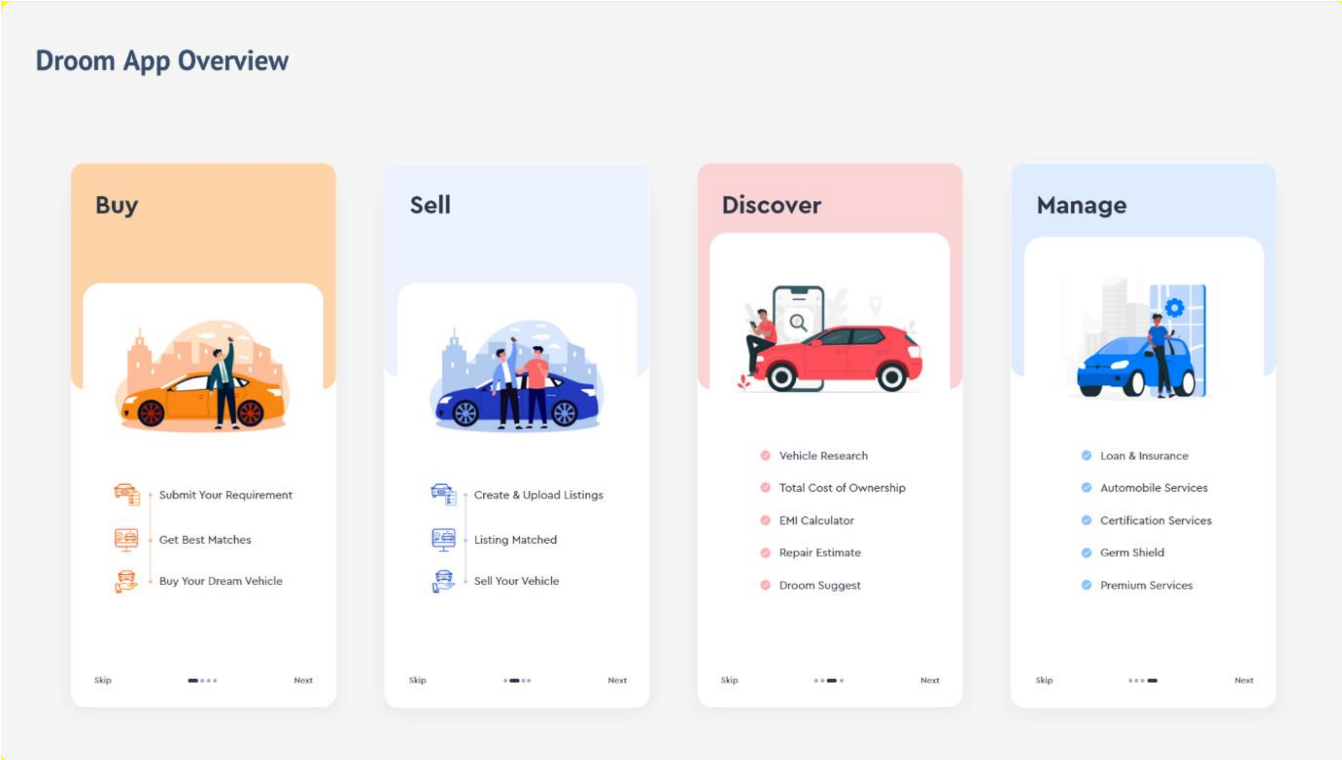
*Droom Velocity* offers buyers a hassle-free buying experience, with final check inspection, door-step delivery and assistance in a smooth transfer of ownership.

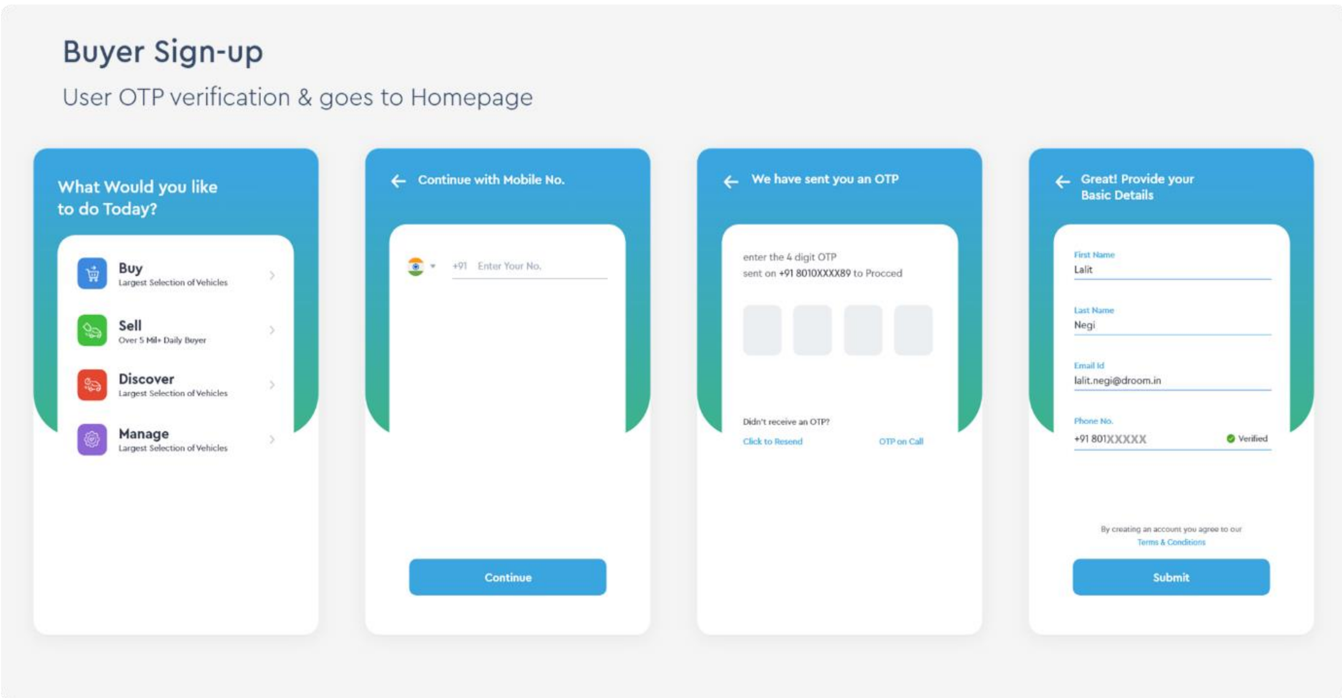



***Buyer's Journey***

*Browsing for Vehicles (First Mile Services)*

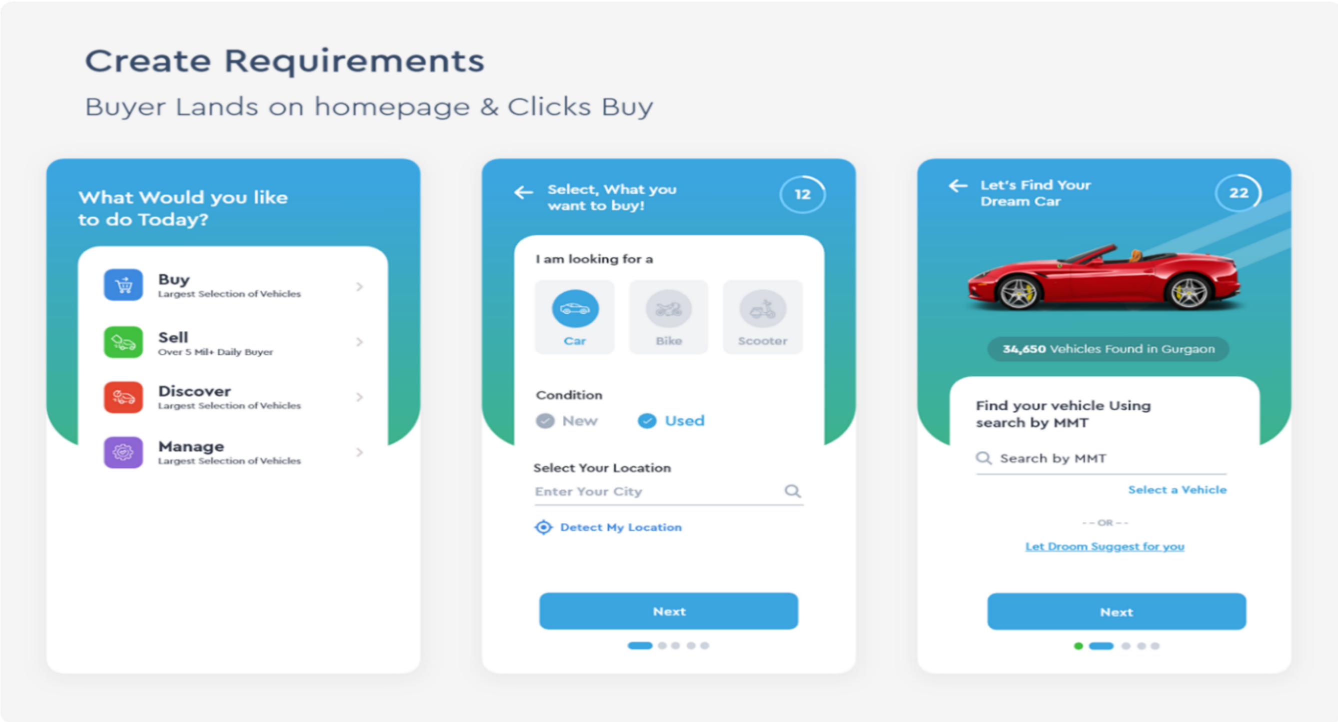
Given that individuals purchasing vehicles on our platform include first-time buyers of vehicles, they undertake their due diligence before purchasing their vehicle. They can utilise *Droom Discovery* to make an informed decision by being able to even conduct research on using our affordability calculator, fuel efficiency, ratings and reviews of vehicles. On deciding the vehicle, they wish to purchase, they can then use our patented *OBV* service to get an independent pricing guide and also narrow down their search parameters, for example, the age and mileage of the car, before making their purchase. It offers potential buyers a full picture particularly on pricing issues, as buyers are sensitive to prices of new and used cars.

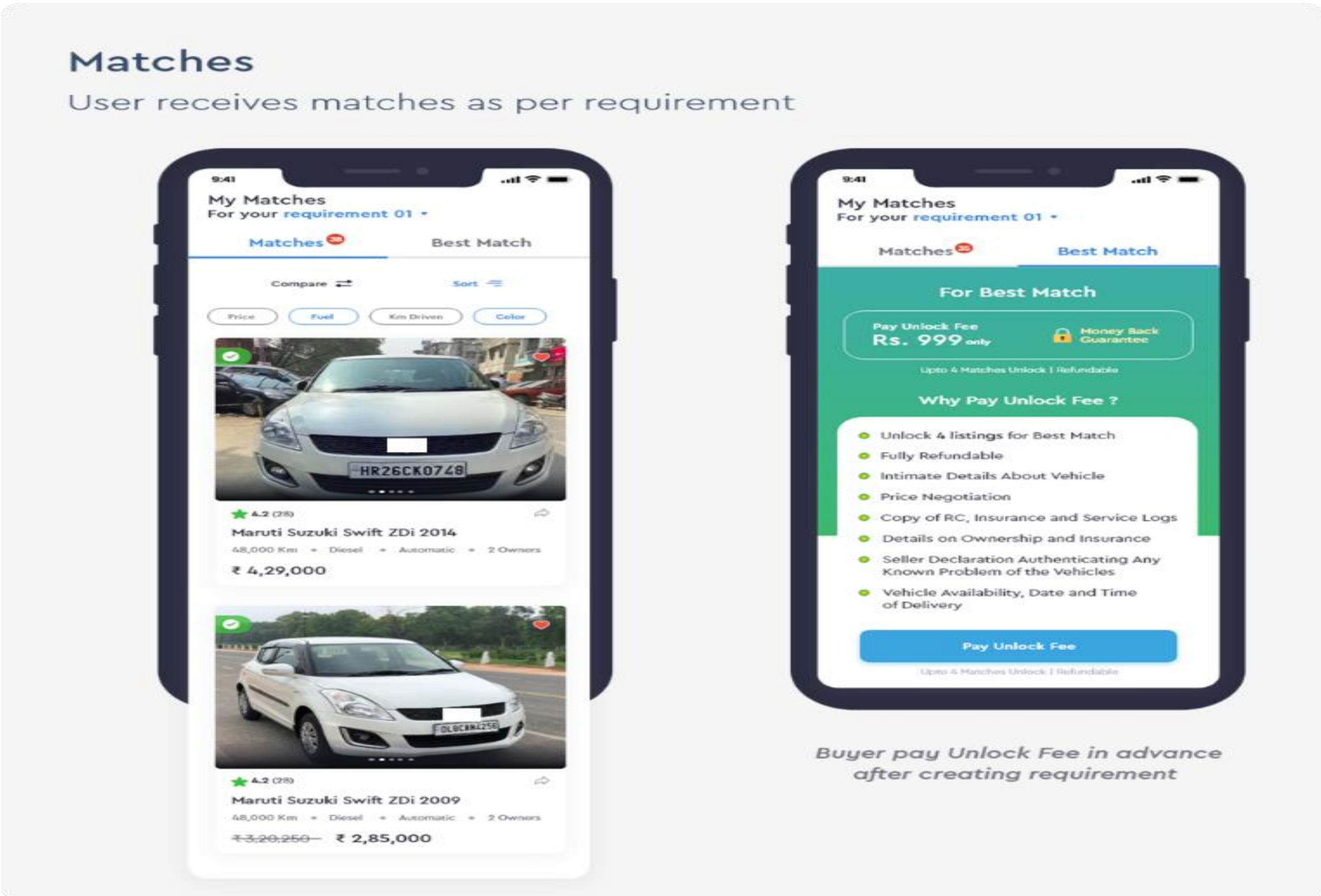



*Transacting the Vehicle (Middle Mile Services)*

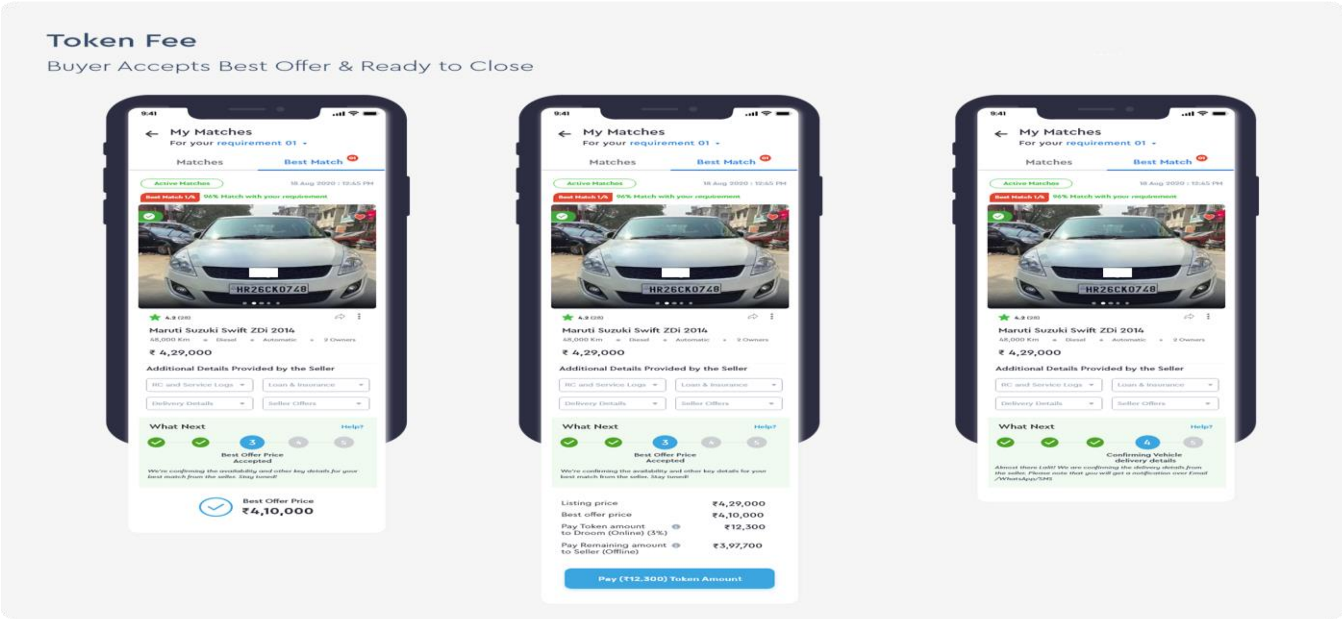
When potential buyers have narrowed their parameters sufficiently and entered their requirements on the platform, they are required to pay a fee to unlock the best vehicle that matches their requirements, and they can then select the one that suits their purposes and goals the most. The seller will then be notified, and the parties will be linked up based on algorithmic calculations like geo-locations and profile data. Thereafter, the buyer will then have access to our value-added services which are optional and customisable.

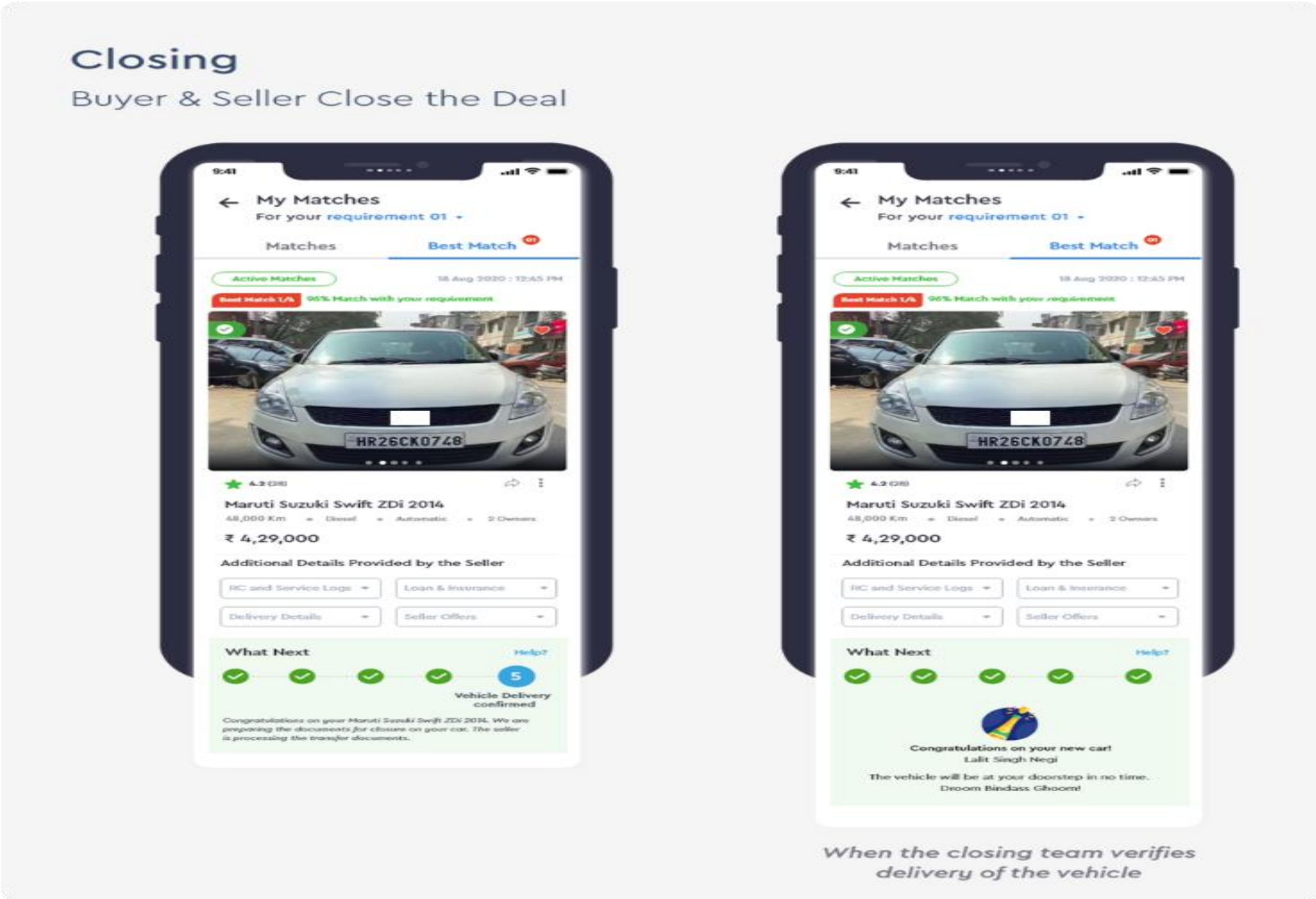



*Post-Transaction Documentation and Delivery (Last-Mile Services)*

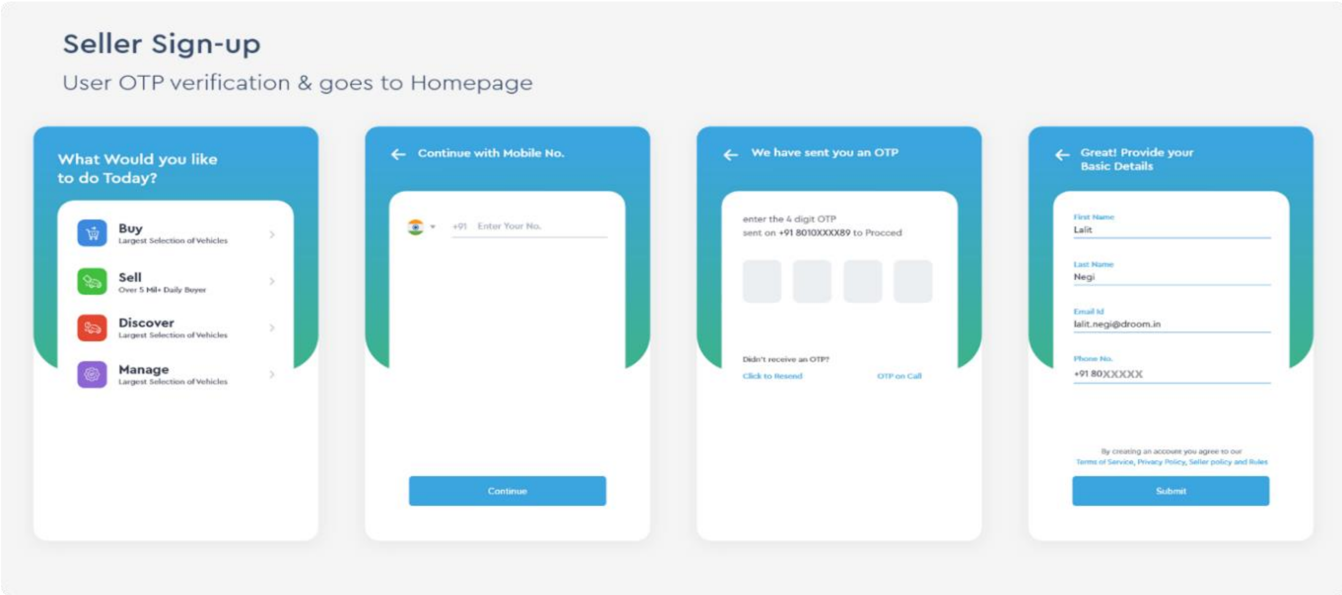
The platform offers different payment methods, including credit cards, debit cards, UPI and wallets. There is a high degree of flexibility once an agreement is reached. We have expanded into financing agreements, where a buyer is offered vehicle financing through various financing companies with whom we have tied up. In addition, the buyer can choose to purchase vehicle insurance with us.



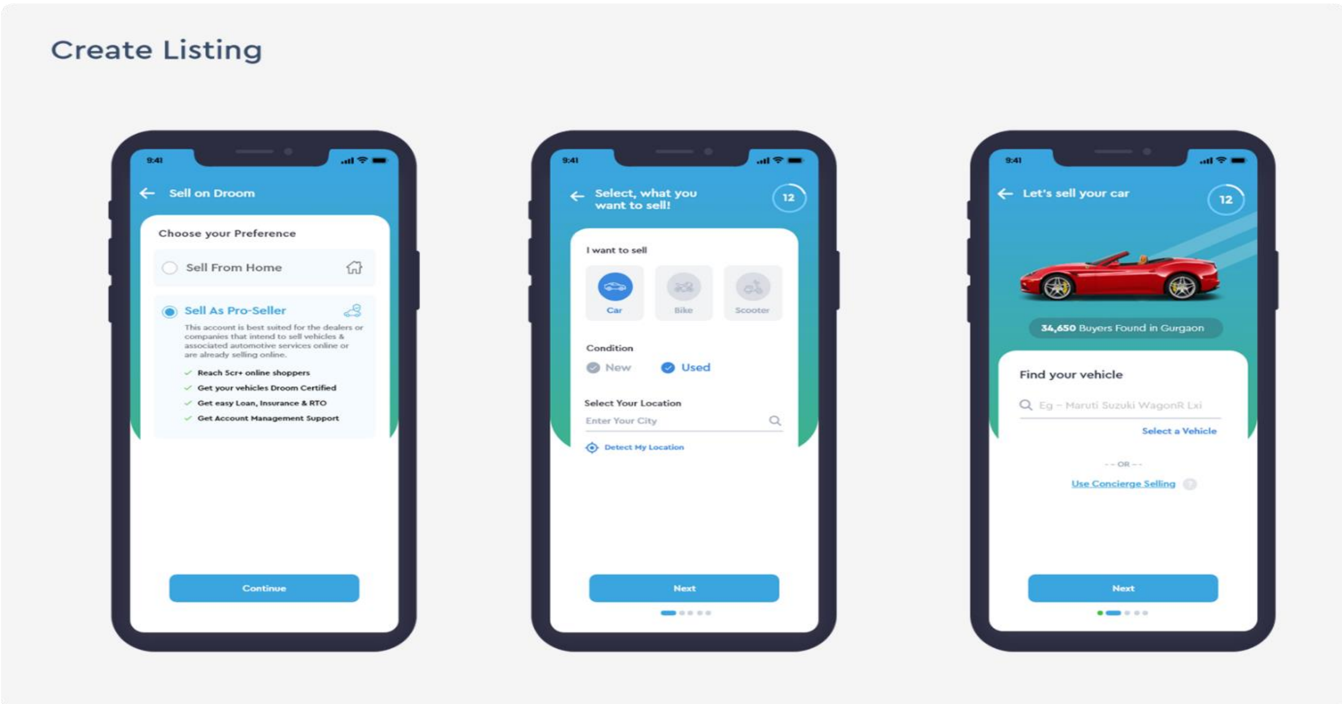

***Seller's Journey***

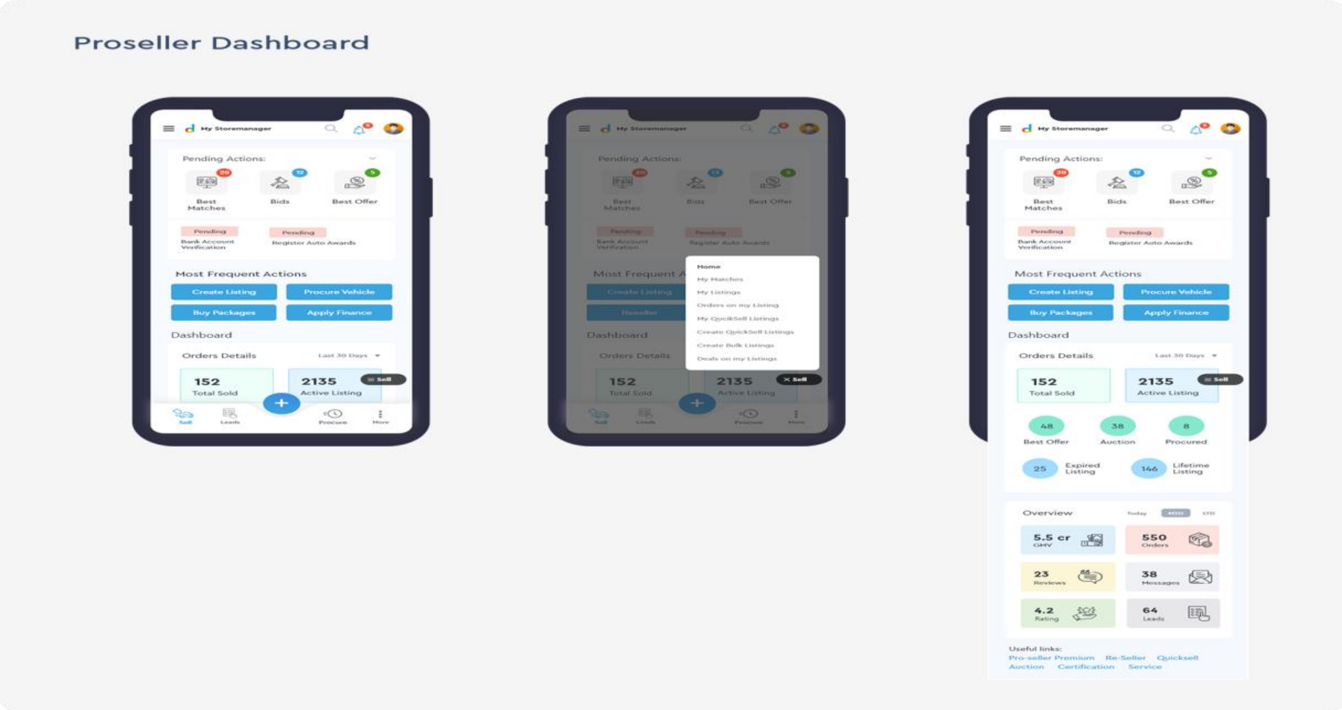
As we have both independent and corporate sellers on the platform, our platform provides features and functions that are relevant and useful to both, from listing of the vehicle to the vehicle leaving their possession and ownership on paper. For professional or corporate sellers, we conduct our due diligence and have our internal know-your-client ("**KYC**") processes.




*Pre-listing and Listing of Vehicle (First Mile Services)*

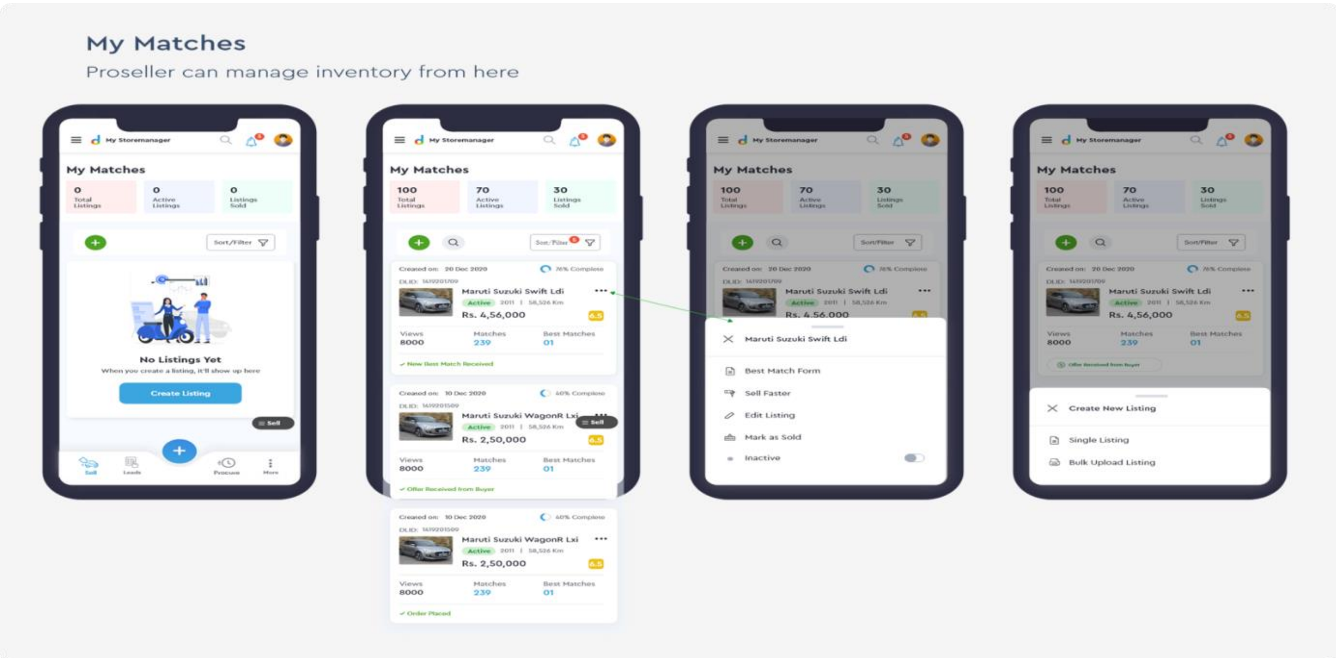
We offer services to sellers allowing them to have a better understanding of the market and increase the chances of selling their vehicles. Our *Droom Discovery* tools are comprehensive, and provides financial, vehicle and fuel information, and include automobile news and expert reviews on vehicles. This allows sellers to make an informed decision about their listing. Sellers can utilise our patented *OBV* technology to check for a fair market price to list their vehicles. Our OBV engine sets an algorithm-derived recommended price, and should the price be above the market range of values, the seller will be prompted if he wishes to continue listing or change the listed price. The seller can also order an independent inspection through our *ECO* inspection service. We also offer the seller a choice to purchase the vehicle's history through *History*. We do not charge sellers a fee for listing their vehicle on our platform.





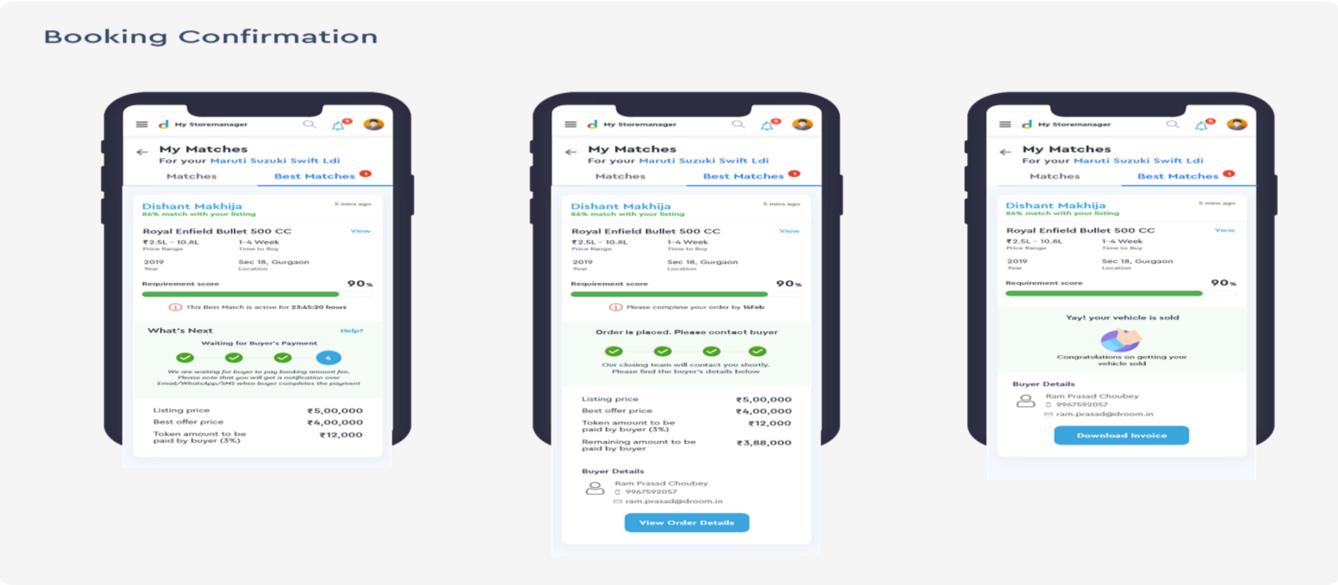

*Transacting the vehicle (Middle Mile Services)*

When the vehicle is listed and a potential buyer has paid the unlock fee to look at the vehicle and subsequently expressed their interest, the system then notifies the seller that there is a potential buyer. The seller then provides additional details about the vehicle and confirms the final price. Once the buyer agrees to the seller's terms, the buyer then pays a token amount, typically a certain percentage of the purchase consideration through our platform. This payment is taken on the platform through various digital payment options including credit cards, debit cards, UPI and wallets. The buyer also has an option to add ancillary value-added services like reconditioning, repair and detailing at this stage. Once the token amount is paid, the vehicle is marked as sold on the platform and is no longer available for other buyers to view or purchase.




*Post-Transaction Delivery and Documentation (Last-Mile Services)*

Due to being a fully online transactional platform, through *Droom Velocity* we offer payment and escrow services, documentation and compliance support (including transfer of ownership, registration, stamp duty payment, RTO charges) and delivery to the buyer's doorstep by our agents.




*Droom for Professional Dealers*

We believe that Droom has a great partnership with auto dealers. Our strength lies in building buyers and seller technologies and experiences online and accordingly, our partnership with the auto dealers is complementary.

The below shows a brief breakdown of our platform for professional auto dealers.


The mobile app is also tailored and customised for professional automobile sellers. Their purposes and requirements are different from that of individual sellers, and they have a wider range of inventory, capital and other factors that we have taken into consideration for our pro-seller platform design.

**Technology**

We offer technology and data-driven consultative sales experience for the maximum benefit of both buyers and sellers, based on our AI-driven matching engine which creates a self-correcting mechanism that results in quality listings and higher convenience. Our gamification and negotiation tools also result in higher engagement for buyers and sellers, and our matching algorithm not only matches a particular listing but also matches sellers with buyers by capitalising on their geo-location and profile data. We have invested in various AI and ML-based technologies to provide a seamless online transactional experience. The technologies that we invested in and developed, have evolved into an ecosystem, interacting, and complementing one another in assisting and improving the user's shopping experience. We endeavour to create technology that can be leveraged across our ecosystem offerings further improving the used vehicle buying and selling experience.

Our ecosystem is also supported by a robust technology stack, all of which were developed by our software specialists with the view of enhancing the user experience on our platform.

As of September 30, 2021, we had 96 employees involved in our technology and product development operations and constituted 33.57% of our total workforce. Our teams focus on improving existing products to ensure increased customer satisfaction as well as releasing new products. In addition, we have a data science team that focuses on utilizing the vast amount of data we capture on our platforms for different purposes.

We also rely on third-party technologies including analytics frameworks, network infrastructure for hosting websites and applications, and various software libraries and development tools.

**Data Science**

Data science plays an essential role in our business operations given that we are primarily a technology and data-driven company. We have a dedicated team of data scientists and analysts that assist us in developing proprietary algorithms such that the information we had captured is processed into usable information for constant improvement and upgrading of our platform, such that a superior customer experience is delivered to our users. For example, used automobile price ranges are very important to our various stakeholders. For this, we analyse the prices of vehicles that are successfully sold through our platform and derive a range of acceptable selling prices for future auto dealers to consider using data science and proprietary algorithms based on several factors, including vehicle-specific information like the number of times it has been resold, the mileage, the condition and others. Should a dealer choose to list their vehicle at a higher or lower than conventional price, the platform gives the dealer a warning that he is not selling at the market range of prices. We also obtain data through our websites and apps, when, for example, a vehicle is listed on our platform. Each such vehicle provides us with additional data points, and we can subsequently review the accuracy of our algorithms. Relevant user behaviour is directly captured into our systems.

We track our user traffic and sessions for marketing and relevancy purposes. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, our monthly average traffic was 35.52 million, 23.71 million, 8.58 million and 14.55 million, respectively. Fiscal 2020 onwards, our marketing efforts were focused on acquiring higher-quality traffic in order to increase conversion thereby increasing the orders per million visitors/traffic. Moreover, in Fiscal 2021, traffic was impacted due to lower marketing spend owing to cost optimization initiatives by the company due to lockdowns induced by COVID-19. In the six months ended September 30, 2021, average monthly traffic grew 140.37% year-on-year driven by increased online adoption of the automobile category.

**Data Security**

Cyber security and the reliability of our platform are essential to the success of our operations. In Fiscal 2019, 2020 and 2021, and the three months ended June 30, 2021, our downtime was 0.00%, 0.00%, 0.01% and 0.00%, respectively. We have our platform privacy policies which set out what data we collect from users. We maintain other policies and practices, internally and with third parties, relating to data security and the protection of personal data according to data laws in India. Our platform, offerings and policies are also designed to facilitate compliance with the data protection laws. As part of our data security measures, we implement automated backups; cloud storage; code reviews by dedicated programmers; encryption of sensitive data; firewalls; internal audits; multi-factor authentication; the need-to-know basis of information sharing; penetration and security testing; and virtual private networks.

**Insurance**

We offer in our employment packages insurance policies such as office package insurance and group mediclaim policy, which contains market-standard exclusions and deductibles. We regularly review the scope and coverage of our offered insurance. We consider our insurance coverage standard insurance coverage customary in our industry.

However, our insurance policies may not be able to cover all of our losses and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*" on page 45.

## Competition

The automobile retail industry in India is highly competitive. Our key competitors include Cars24 (Cars24 Services Private Limited), CarDekho (Girnar Software Private Limited), CarTrade Tech Limited, and Spinny (Valuedrive Drive Technologies Private Limited) (*Source: GT Report*).

## Intellectual Property Rights

We are a technology company in the automobile industry and accordingly, our success and ability to compete depends on our ability to adequately develop and protect our technology and intellectual property rights.

We seek to protect our intellectual property in the form of trademarks, through applications under relevant intellectual property laws including, the Trade Mark Act, 1999. Apart from trademarks, in general, our employment agreements and other contracts for services require our employees to keep confidential all information relating to our Company and our users, business associates and others or relating to their affairs or dealings during and after their employment or service with us. Our employees are required to acknowledge and recognize that all intellectual property developed by them during their employment are our property. We also endeavour to protect our intellectual property through intellectual property protection and confidentiality clauses in other commercial agreements and non-disclosure agreements entered into with third parties.

As of September 30, 2021, we own two copyright registrations in India, relating to *OBV*. We also own 46 trademark registrations in India, of which 33 are device marks, and 13 are word marks. We have filed applications for 18 trademarks that are, as of the date of this Draft Red Herring Prospectus, yet to be granted. Our Promoter and CEO, Sandeep Aggarwal has filed for one patent in India which is yet to be granted. The patent for our proprietary technology, *OBV*, is owned by our Promoter and CEO, Sandeep Aggarwal. It was granted by the US Patent & Trademark Office on May 28, 2020. Further, our Promoter and CEO, Sandeep Aggarwal has also filed 10 patents with the US Patent & Trademark Office that are yet to be granted.

### Droom Patent Portfolio

| | Description | Patent Office | Status |
|---|---|---|---|
| OBV | Used-Vehicle Algorithmic Pricing Engine Method and System | | Granted |
| FCTS | Listing Trust Score | | Filed |
| ECO | Methods and systems of an online vehicle sale website | | Filed |
| Quicksell | Method and systems of an online vehicle sale website | | Filed |
| Germ Shield | Anti-microbial Coating for Vehicles and Facilities | | Filed |
| Droom Credit | Credit Risk Assessment | | Filed |
| OBD Engine Diagnostics | Engine Diagnostics for Vehicles Using OBD Port | | Filed |
| OBV Buyback Program | Methods and systems of an OBV buyback platform | | Filed |
| Promotions | Automated Deals Evaluation and Management Platform | | Filed |
| Token Amount | Implementing a token transfer feature | | Filed |
| Listing Transparency | Transparency badges in e-commerce | | Filed |

**OBV patent is held by Sandeep Aggarwal*

For further details of the intellectual property owned by us, see the section "*Government and Other Approvals – Intellectual Property Related Approvals*" on page 290. We further control the use of our proprietary technology and intellectual property through provisions in both our general and product-specific terms of use on our websites.

## Employees

As of September 30, 2021, we have 286 employees, comprising in the below breakdown:

| Function | Number of Employees |
|---|---|
| Product and Engineering | 96 |
| Core Business | 106 |
| General and Administrative | 47 |

| Function | Number of Employees |
|---|---|
| Operations | 37 |
| **Total** | **286** |

We recruit talent from various sources, including through recruitment agents, open days at leading tertiary institutions across India and various other recruitment drives. As an organization, we are committed to creating a balanced culture of work and play such that our talents and employees are willing to stay with us. This is evident in our attrition rate which was 2.92%, 6.11%, 5.12% and 3.54% in Fiscal 2019, 2020 and 2021, and for the six months ended September 30, 2021, respectively. Our Company has been awarded as one of the Best Places to Work in India 2021 Employee Choice Awards by Ambition Box.

**Corporate Social Responsibility**

We have also undertaken various CSR activities. In March 2021, we started a program called 'Adopt a Family' for providing food during COVID-19 related lockdowns to feed underprivileged and daily wagers. We have partnered with Robin Hood Army, a non-governmental organization for ground distribution support.

We extended our Germ-Shield sanitization coating service, a purchasable ancillary service developed during COVID-19 times for cleanliness and sanitisation purposes, to sanitize sensitive surfaces in police stations and hospitals in each city that has a Germ Shield store. We provided Germ Shield coating service to a minimum of one police station and one hospital in each city where there is a Germ Shield store. We had initiated a fleet sanitisation drive for the Gurugram Police, and sanitised the entire fleet of police cars and bikes belonging to the Gurugram Police.

**Properties**

Our Company's registered office is at 90/31B, First Floor, Malviya Nagar, New Delhi – 110 017. Our corporate office is located at 77A, Building No. 1, Sector 18, Gurugram, Haryana – 122 015. Our registered office and corporate office are situated on premises that are leased by our Company.

## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, regulatory, judicial or administrative decisions.*

We are a technology and data-science-driven online automobile marketplace. Under the provisions of various central government and state government statutes and legislations, we are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For information regarding regulatory approvals obtained by us, see *"Government and Other Approvals"* on page 290.

The following is an overview of some of the important laws and regulations, which are relevant to our business.

**Key regulations, circulars, policies, guidelines and acts applicable to our Company and Subsidiaries**

***The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder***

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate.

The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediary Rules**") on February 25, 2021. The IT Intermediary Rules replace the Information Technology (Intermediaries Guidelines) Rules, 2011. The IT Intermediary Rules requires due diligence by intermediaries including informing users about rules and regulations, privacy policy, and terms and conditions for usage of its services, due diligence by significant social media intermediaries including appointment of chief compliance officer to ensure compliance with the IT Act, observance of code of ethics by digital media publishers, provision for a grievance redressal mechanism by intermediaries and authority to examine digital media content to authorised officers and issue directions to block content in case of emergency.

***New Telecom Policy, 1999, modified by the Department of Telecommunications, GoI on August 5, 2016 ("New Telecom Policy")***

The New Telecom Policy was introduced in 1999 and has undergone various amendments, including the latest amendment which was passed on August 5, 2016. Under the New Telecom Policy, for applications such as e-commerce, tele-banking, tele-education and tele-trading, other service providers will be allowed to operate using infrastructure provided by various access providers. No license fee is charged but registration for specific services being offered is required. These service providers do not infringe on the jurisdiction of other access providers and do not provide switched telephony.

The Telecom Regulatory Authority of India has the power to issue directions to service providers and to adjudicate all disputes between the GoI (in its role as service provider) and any other service provider.

**The Telecom Regulatory Authority Act of India, 1997 ("TRAI")**

TRAI seeks to regulate the telecommunication sector and to consolidate all laws, rules and regulation of the telecom industry. The legislation has established the Telecom Regulatory Authority of India ("**TRAI**") for regulating and supervising the telecom industry and the Telecom Dispute Settlement Appellate Tribunal (TDSAT) to adjudicate disputes between a licensor and licensee. Some of the primary functions of TRAI include establishing standards of Quality of Service, conducting periodical surveys, setting up terms and conditions of grant of a license, fixing the tariffs and rates to be charged etc.

TRAI notified the Customer Preference Regulations on July 19, 2018, to curb the problem of unsolicited commercial communication. The regulations, *inter alia*, provide for: the registration of senders (businesses and telemarketers) with telecom service providers to reduce the ability of unknown entities reaching out to customers with calls and messages that are fraudulent or otherwise of dubious nature; registration of headers, that is, an alphanumeric string of character or numbers assigned to a sender of commercial communications for segregating different types of messages related to one time passwords, balance inquiries, flight alerts, special offers, etc.; and providing control to the customer to consent to receiving commercial communication and the ability to revoke the consent already granted.

**The Personal Data Protection Bill, 2019 ("Bill")**

The Bill, which proposes to supersede the Information Technology Act, 2000 deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorises two kinds of data, (") "Personal D"ta" data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) "Sensitive Personal Data" includes such personal data, which may, reveal, be related to, or constitute: (i) financial data; (ii) health data; (iii) official identifier; (iv) sex life; (v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, acts done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and acts done for preventing incitement to commission of any cognisable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

**Consumer Protection Act, 2019 ("COPRA") and rules made thereunder**

COPRA is preceded by the Consumer Protection Act, 1986. COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA has extended the definition of a 'consumer' to include purchase of goods or services through an offline and online transaction, and provides a mechanism for the consumer to file a complaint against a service provider in cases of, inter alia, unfair trade practices, restrictive trade practices, deficiency in services and prices charged being unlawful. Furthermore, the new legislation also provides for penalties for, amongst others, manufacturing for sale or storing, selling, distributing or importing products containing adulterants and for publishing false or misleading advertisements. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties. The COPRA has also brought e-commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online market places and online auction sites.

The Ministry of Consumer Affairs, Food and Public Distribution issued the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") under the COPRA on July 23, 2020 which govern the online sale of goods, services, digital products by entities which own, operate or manage digital or electronic facility or platform for electronic commerce ("**Ecommerce Entities**"), all models of e-commerce (including marketplace or inventory model), and all ecommerce sellers. The E-Commerce rules lay down the duties and liabilities of E-Commerce Entities and ecommerce sellers. The Ministry of Consumer Affairs, Food and Public Distribution has notified Consumer Protection (E-Commerce) (Amendment) Rules, 2021 on May 17, 2021 to amend the Consumer Protection (E-Commerce) Rules, 2020. The amendment makes it mandatory for the e-commerce entity to appoint a nodal officer or an alternative senior designated person to ensure compliance under the Act or Rules.

**Draft E-Commerce Policy, 2019 ("2019 Draft Policy")**

In March 2019, the Department for Promotion of Industry and Internal Trade ("***DPIIT***") had invited comments from stakeholders and the public on the 2019 Draft Policy. Among other items, the 2019 Draft Policy proposed that measures should be taken to regulate cross-border data flow, establish a level playing field for domestic and foreign e-commerce players, boost sale of domestic products through e-commerce, and generally regulate e-commerce in India. DPIIT is currently working on a revised draft policy.

**Laws governing foreign investments**

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments Rules along with the FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 333.

**Intellectual Property Laws**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961, and as a member of the World Trade Organisation, India also is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights ("TRIPS").

***The Trademarks Act, 1999 ("Trademarks Act")***

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future.

Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

***Copyright Act, 1957 and the rules thereunder***

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "Copyright Laws") serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. The Copyright Laws prescribe fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Government of India has notified Copyright (Amendment) Rules, 2021 vide Gazette notification G.S.R. 225(E) dated 30th March, 2021. In India, the copyright regime is governed by the Copyright Act, 1957 and the Copyright Rules, 2013. The Copyright Rules, 2013 were last amended in the year 2016. The amendments have been introduced with the objective of bringing the existing rules in parity with other relevant legislations. Their aim to ensure smooth and flawless compliance in the light of the technological advancement in the digital era by adopting electronic means as the primary mode of communication. A new provision regarding publication of a copyrights journal has been incorporated, thereby eliminating the requirement of publication in the Official Gazette. The said journal would be available at the website of the Copyright Office.

The amendments have harmonised the Copyright Rules with the provisions of Finance Act, 2017 whereby the Copyright Board has been merged with Appellate Board. The compliance requirements for registration of software works have been largely reduced, an applicant now has the liberty to file the first 10 and last 10 pages of source code, or the entire source code if less than 20 pages, with no blocked out or redacted portions. The time limit for the Central Government to respond to an application made before it for registration as a copyright society is extended to one hundred and eighty days, so that the application can be more comprehensively examined.

***The Patents Act, 1970 ("Patents Act")***

The Patents Act governs the patent regime in India. A patent is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, for excluding others from making, using, selling and importing the patented product or process or produce that product. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria

**Laws Governing Insurance**

The Insurance Regulatory and Development Authority ("**IRDA**") has formulated guidelines that have to be adhered to, by any general insurance company offering motor insurance policies in India. Customers have to avail motor insurance policies only from companies registered with the IRDA. Motor insurance widely encompasses private car insurance, two-wheeler insurance, commercial vehicle insurance and all other types of road transport vehicles. In India, it is mandatory to own a motor insurance policy for any type of vehicle. This is because driving a vehicle without a valid insurance plan is a punishable offence as per the ***Motor Vehicles Act, 1988***. A certificate of insurance will be issued apart from the policy by the insurer according to Rule 141 of ***Central Motor Vehicle Rules 1989***, when a motor insurance policy is availed.

**Environmental Regulations**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

***Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("State PCB"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

***Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")***

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

**Labour Laws**

In addition to the aforementioned material legislations which are applicable to our Company, some of the labour legislations that may be applicable to the operations of our Company include:

a. Contract Labour (Regulation and Abolition) Act, 1970;
b. Employees' State Insurance Act, 1948;
c. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
d. Payment of Gratuity Act, 1972;
e. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013;
f. Payment of Wages Act, 1936;
g. Minimum Wages Act 1948;
h. Payment Of Bonus Act, 1965;
i. Maternity Benefit Act, 1961, as amended; and
j. Shops & Establishment Act, 1947, along with other state-wise shops and establishment regulations, and the rules made thereunder.
k. Child & Adolescent Labour (Prohibition & Regulation) Act, 1986

(a) *The Code on Wages, 2019*

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code predominantly concerning the constitution of the Central Advisory Board and other provisions of this code will be brought into force on a date to be notified by the Central Government.

(b) *The Code on Social Security, 2020*

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. The Ministry of Labour and Employment, Government of India has notified the draft rules relating to Employee's Compensation under the Code on Social Security, 2020 on June 3, 2021, inviting objections and suggestions, if any, from the stakeholders.

(c) *The Occupational Safety, Health and Working Conditions Code, 2020*

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(d) *The Industrial Relations Code, 2020*

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

# HISTORY AND CERTAIN CORPORATE MATTERS

## Brief history of our Company

Our Company was originally incorporated as '*Droom Technology Private Limited*' in New Delhi, as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated September 9, 2014, issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at its extraordinary general meeting held on August 16, 2021 and the name of our Company was changed to '*Droom Technology Limited*'. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on September 14, 2021.

## Changes in our Registered Office

There has been no change in the registered office of our Company since incorporation.

## Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:
"
1. *To develop, provide, undertake, design, import, export, distribute online technology and mobile technology services and application software for microprocessor-based information systems, off shore software development projects, internet service provider, and solutions in all areas of application.*

2. *Online Technology, Technology Services, E-Commerce Services, Online Marketing Services and Fulfilment Services*."

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, please see the section entitled "*Objects of the Offer*" on page 80.

## Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

| Date of Shareholders' Resolution | Particulars |
|---|---|
| **October 5, 2021** | Clause V of the MoA was amended to reflect the sub-division in the face value of the equity shares of our Company and accordingly the authorized share capital of our Company of ₹300,000,000, divided into 30,000,000 equity shares of ₹ 10 each, was split into 300,000,000 Equity Shares of ₹ 1 each. |
| **September 28, 2021** | Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each to ₹ 300,000,000 divided into 30,000,000 equity shares of ₹ 10 each and to reflect insertion of the following clause:<br><br>"*The Company has power, from time to time to alter, increase or reduce its capital and divide/consolidate the shares in the capital for the time being into other classes/denomination and to attach thereto respectively such preferential, deferred, qualified or other special rights privileges, conditions or restrictions as may be determined by or in accordance with Articles of Association of the company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as for the time being be permitted by the Articles of Association of the Company and the legislative provisions for the time being in force in that behalf.*" |
| **August 16, 2021** | Clause I of the MoA was amended to reflect the change in the name of our Company from Droom Technology Private Limited to Droom Technology Limited pursuant to the conversion of our Company from a private limited company to a public limited company. |
| **April 16, 2019** | Clause III(B) of the MoA was amended pursuant to the addition of the clause 59 relating to the Company's borrowing powers |
| **April 05, 2019** | Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each to ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each. |
| **August 10, 2015** | Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 2,500,000 divided into 250,000 equity shares of ₹ 10 each to ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each. |

| Date of Shareholders' Resolution | Particulars |
|---|---|
| **November 7, 2014** | Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 2,500,000 divided into 250,000 equity shares of ₹ 10 each. |
| **November 7, 2014** | Clause III(A) of the MoA was amended pursuant to the Company's venture into e-commerce activities. |

**Major events and milestones of our Company**

The table below sets forth the major events and milestones in the history of our Company

| Year | Particulars |
|---|---|
| 2015 | Launched our product - Droom Assist- a personalised service for customers that provides them with assistance in making buying decisions |
| 2015 | Launched our product "Quicksell", where auto dealers can source vehicles quickly. |
| 2015 | Launched OBV (Orange Book Value), which was India's first and only algorithmic pricing engine to find the fair market value of any used automobile |
| 2016 | Started providing Eco Auto Inspection service, a mobile-based auto inspection solution in partnership with Carnation Auto |
| 2016 | Launched a product – "History", which is a repository of operating history of used vehicles and provides overall information about a vehicle's background |
| 2017 | Launched our product – "Droom Discovery". Droom Discovery, India's largest collection of vehicle pre-buying research and discovery tools. |
| 2017 | Launched our product "Droom Credit", an end-to-end online and fully automated credit marketplace with an aim to facilitate near-instant loans from lenders to borrowers |
| 2019 | Launched our product – "Droom Enterprises". Droom Enterprise offers solutions in the form of platforms and tools customised to requirement of organizations/ enterprises with necessary implementation support and customizations. |
| 2019 | Launched Droom International in Thailand. Product offerings include services like OBV (for used vehicle pricing), Droom Discovery (vehicle research), ECO (vehicle inspection), Droom Credit (financing), and Droom History (vehicle historical records) |
| 2019 | Launched our labs - Artificial intelligence & ECO Lab to research on multiple artificial technologies to make simplistic consumer experiences and services |
| 2021 | Launched Droom Community: Droom Community is the largest network of and for auto enthusiasts and auto experts on the internet to share and express freely and showing likes, dislikes, comments answers and shares |
| 2021 | Launched Droom Velocity, a last mile delivery service that will deliver the bought cars to the end customers |

**Key Awards, Accreditations and Recognition**

Our Company has received the following key awards, accreditation, and recognition:

| Year | Particulars |
|---|---|
| 2021 | Awarded ISO 9001:2015 accreditation for Droom ECO |
| 2021 | Awarded ISO 9001: 2015 accreditation for Droom Velocity |
| 2021 | Awarded ISO 14001:2015 accreditation for Droom ECO |
| 2021 | Awarded ISO 14001:2015 accreditation for Droom Velocity |
| 2021 | Recognised as the best e-commerce company of the year in the automobile sector at the Business Excellence Awards |
| 2021 | Recognised amongst the best places to work in India by Ambition Box |
| 2020 | Awarded ISO 9001: 2015 accreditation for our product Germ Shield |
| 2019 | Droom.in recognized amongst the best brands of 2018-19 by Economic Times |
| 2019 | Awarded the Extraordinaire- Brand 2018-19 by Brand Vision |
| 2017 | Awarded Creative-Automotive Products & Services at the exchange4media Primetime Awards |
| 2017 | Our digital campaign "Bittuji Ki Beemer" featured in the top 10 ads on YouTube India Ads leader board Q3-2017 |
| 2017 | Featured in SutraHR's list of Top 100 Startups to Watch- 2017 |
| 2016 | Awarded "Tech Start-up of the year" by Entrepreneur magazine |
| 2016 | Awarded India's most admired e-commerce company by Planman Media |
| 2016 | Recognised as one of coolest start-ups by Business Today |
| 2016 | Listed among the 20 Start-ups to Watch in 2016 Forbes |
| 2015 | Recognized as Top 100 Start-ups with Gravity – Defying Momentum in 2015 by YourStory. |
| 2015 | Recognised as a Top 50 venture in the Smart CEO Startup50 India 2015 Program. |

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation or revaluation of assets in the last 10 years**

Except as disclosed below, our Company has neither acquired or divested any business or undertaking nor has it undertaken any merger or amalgamation or revaluation of assets in the 10 years preceding the date of this Draft Red Herring Prospectus

*Acquisition of XFPL*

Pursuant to the approval of the transfer by the board of directors of XFPL vide their board resolution dated March 8, 2019, our Company acquired 123,899 fully paid-up equity shares of XFPL representing 10.77% of the total issued and paid up equity share capital of XFPL for a consideration of approximately ₹6.11 million on March 8, 2019. The downstream investment of our Company was done in accordance with the applicable law. Our Company made a formal intimation to the Foreign Investment Facilitation Portal on June 2, 2020 and submitted the form DI on the Foreign Investment Facilitation Portal (FIFP) on July 1, 2020. The submission was approved by the Reserve Bank of India (RBI) vide mail dated July 4, 2020. Further, XFPL, a registered NBFC, obtained prior approval from RBI for the change in its management and control on October 16, 2019.

Pursuant to the approval of the transfer by the board of directors of XFPL vide their board resolution dated March 20, 2020, our Company acquired 1,026,100 fully paid-up equity shares of XFPL representing 89.23% of the total issued and paid up equity share capital of XFPL for a consideration of approximately ₹50.79 million on March 20, 2020. The downstream investment of our Company was done in accordance with the applicable law. Our Company made a formal intimation to the Foreign Investment Facilitation Portal on June 2, 2020 and submitted the form DI on the Foreign Investment Facilitation Portal (FIFP) on July 6, 2020. The submission was approved by the Reserve Bank of India (RBI) vide mail dated July 9, 2020.

*Acquisition of Droom International and its wholly owned subsidiaries, Droom Malaysia and Droom Thailand*

Our Company, through our Subsidiary, Droom Data Science Pte. (Singapore) Limited has acquired 100% equity shares of Droom International Pte. Limited and its wholly owned subsidiaries, Droom Malaysia and Droom Thailand, and Droom Indonesia, from one of our Promoter, Droom Pte. Ltd vide the IP and share transfer deed dated October 15, 2021. For details of the IP and share transfer deed, please see " – *Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 159.

Our Company has also acquired full and complete title, interest and benefit in the legal ownership of the intellectual property of Droom Pte. Ltd. Droom Pte. Ltd has transferred to Droom Data Science (Singapore) Pte, the legal ownership in and to the intellectual property without consideration.

For details of Subsidiaries incorporated, please see " – *Our Subsidiaries*" on page 161.

**Guarantees given to third parties by a promoter offering its Equity Shares**

As of the date of this Draft Red Herring Prospectus, our Promoter Selling Shareholder has not provided any guarantees to any third parties.

**Time and cost over-runs**

There have been no time and cost over-runs in relation to the setting up of our projects.

**Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks**

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

**Lock-out and strikes**

As on the date of this Draft Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

**Significant financial and strategic partners**

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

**Shareholders' Agreements**

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature or which are adverse / pre-judicial to the interest of our minority / public Shareholders.

***Shareholders' Agreement dated April 17, 2018, executed amongst Sandeep Aggarwal, Beenos Asia Pte Ltd, Beenext Pte Ltd, Virendar Rana, Lightbox Ventures II, Lightbox Expansion Fund, DG Incubation Inc, Toyota Tsusho Corporation, Mamoru Taniya, PT. Karang Mas Investama, Integrated Asset Management (Asia) Limited, Jumpex Worldwide Limited, Merchant Capital Global Limited, Able Earn Investments Limited, Success Element Investments Limited and Droom Pte. Ltd. ("Shareholders' Agreement")***

Sandeep Aggarwal, one of our Promoters (hereinafter referred to as "***Founder***"), Beenos Asia Pte Ltd, Beenext Pte Ltd, Virendar Rana, Lightbox Ventures II, Lightbox Expansion Fund (collectively referred to as " ***Major Investors***"), Integrated Asset Management (Asia) Limited, Jumpex Worldwide Limited, Merchant Capital Global Limited, Able Earn Investments Limited, Success Element Investments Limited DG Incubation Inc (collectively referred to as "***Series C Lead Investors***") , Toyota Tsusho Corporation (collectively referred to as "***Series D Lead Investors***") , Mamoru Taniya, PT. Karang Mas Investama (Series C Lead Investors and Series D Lead Investors along with Mamoru Taniya, PT. Karang Mas Investama are collectively referred to as "***Lead Investors***") entered into the Shareholders' Agreement with our Promoter, Droom Pte. Ltd. in order to regulate their relationship inter-se as shareholders of Droom Pte. Ltd..

In terms of this Shareholders' Agreement, the parties are entitled to certain rights such as which include, *amongst others*:

- Board Representation: Sandeep Aggarwal is entitled to appoint two directors, while Beenos Asia Pte Ltd and Beenext Pte Ltd (collectively referred to as "***Previous Lead Investors***") are collectively entitled to appoint one director, and Lightbox Ventures I and Lightbox Expansion Fund (collectively referred to as "***LB***") are entitled to appoint one director. For each of Previous Lead Investors and LB, the right to appoint a director will terminate upon the earlier of the following conditions: (i) not owning at least 10% of Droom Pte. Ltd.'s outstanding voting securities, or (ii) upon consummation of an IPO of Droom Pte Ltd.;
- Reserved Matters: Neither Droom. Pte. Ltd. nor any shareholder, director, officer, etc. may, without the prior affirmative written consent of (a) LB and (b) Beenext Pte Ltd, so long as LB and Beenext Pte Ltd individually hold at least 8% of the total shares issued in Droom Pte. Ltd. on a fully diluted basis, take any decisions or actions in relation to any of the reserved matters as identified under the Shareholders' Agreement, including, change in the name of Droom Pte. Ltd. or any transfer of brand names, any decision with regard to the listing of its shares, etc. This provision will apply mutatis mutandis in relation to each subsidiary of Droom Pte Ltd. which includes our Company, Droom Technology Limited. Reserved matters, to the extent permitted by law, will be referred to the board of directors of Droom Pte Ltd and no shareholder, director, officer, etc. of the subsidiaries are permitted to take any action purporting to commit Droom Pte Ltd or any of its subsidiaries without the prior approval of the board, which will include the prior affirmative written consent of (a) LB and (b) Beenext Pte Ltd, so long as LB and Beenext Pte Ltd individually hold at least 8% of the total shares issued in Droom Pte. Ltd. on a fully diluted basis;
- Conduct of the IPO: LB, Beenext Pte Ltd and Beenos Asia Pte Ltd have the right but not the obligation to offer all the shares held by it in Droom Pte. Ltd. in case of an IPO;
- Transfer of Shares: shareholders other than the Founders, the Major Investors, Series C Lead Investors and Series D Lead Investors are not permitted to sell, transfer or otherwise dispose of any of their shares, except with the prior approval of the board of Droom Pte. Ltd. which may exercise its discretion. Further, in granting such approval, the board of Droom Pte. Ltd. may impose such conditions as it deems necessary.

Additionally, the parties are also entitled to exercise certain additional rights, such as, right of first refusal, tag-along right, and right of first offer.

**Other Material Agreements**

Except as disclosed below, our Company has not entered into any subsisting material agreements, other than in the ordinary course of business. For details on business agreements of our Company, see "*Our Business*" on page 123.

***IP and Share Transfer Deed dated October 15, 2021, entered into between our subsidiary, Droom Singapore and our Promoter, Droom Pte Ltd ("IP and Share Transfer Deed")***

Our Promoter, Droom Pte. Ltd. and Droom Singapore have entered into the IP and Share Transfer Deed whereby Droom Pte. Ltd. has transferred the full and complete title, rights, interest and benefits in the legal ownership of the intellectual property rights held by or on behalf of Droom Pte Ltd and set out in the IP and Share Transfer Deed (hereinafter referred to as "***Assigned IP***") without any consideration. The Assigned IP is registered in the name of our Company and has been held by our Company on behalf of Droom Pte. Ltd. and will now be held by our Company on behalf of our subsidiary, Droom Singapore.

Our Promoter has also, through the IP and Share Transfer Deed, transferred all the shares held by it in its wholly owned subsidiary, Droom International for USD 2.

**Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants**

For information on key products or services launched by our Company, or entry into new geographies please see the section entitled "*Our Business*" on page 123.

Our Company has neither exited from existing markets, nor has undertaken any capacity/facility creation. Our Company does not have any manufacturing plants.

***Agreements with Key Managerial Personnel, Director, Promoters or any other employee***

There are no agreements entered into by a Key Managerial Personnel, our Promoters or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company has one holding company- our Promoter, Droom Pte. Ltd. For details of its shareholding and corporate information, see *"Our Promoters and Promoter Group – Corporate Promoter"* on page 184.

**Associate Companies**

Except Droom Tech Insurance Broking Private Limited and Pt. Droom Technology Indonesia, our Group Companies, our Company does not have any other associate company.

**Joint Ventures**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

**Our Subsidiaries**

As of the date of this Draft Red Herring Prospectus, our Company has the following eight subsidiaries:

***Direct Subsidiaries***

***1. Droom Tech Logistic Private Limited ("DTLPL")***

*Corporate Information*

DTLPL was incorporated on July 17, 2018 at New Delhi as a private limited company under the Companies Act, 2013 and a certificate of incorporation was issued by the RoC. Its corporate identification number is U74994DL2018PTC336596. It has its registered office at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi.

*Nature of Business*

DTLPL is authorised by its memorandum of association to carry on the business of providing Information Technology based logistic services and IT enabled service and render logistic services of goods.

*Capital Structure*

The authorised share capital of DTLPL is ₹ 21,000,000 divided into 2,100,000 equity shares of face value of ₹ 10 each and the issued, subscribed and paid-up share capital of DTLPL is ₹ 20,100,000 divided into 2,010,000 equity shares of face value of ₹ 10 each.

*Shareholding*

The shareholding pattern of DTLPL is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom Technology Limited | 2,009,999 | 99.99 |
| Sandeep Aggarwal | 1 | 0.01 |

**2.** ***Droom Finance Tech Private Limited*** (“**DFTPL**”)

*Corporate Information*

DFTPL was incorporated on July 19, 2018 at New Delhi as a private limited company under the Companies Act, 2013 and a certificate of incorporation was issued by the RoC. Its corporate identification number is U67100DL2018PTC336757. It has its registered office at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi.

*Nature of Business*

DFTPL is authorised by its memorandum of association to carry on the business of finance in India and abroad; to lend and advance money on interest or otherwise with or without to any person, firm, company, society, trust, etc; engage in the business of general finance, housing finance and other finance as money lenders in India; and provide venture capital as per its requirement on long term or short term basis or working capital needs.

*Capital Structure*

The authorised share capital of DFTPL is ₹ 22,000,000 divided into 2,200,000 equity shares of face value of ₹ 10 each and the issued, subscribed and paid up share capital of DFTPL is ₹ 22,000,000 divided into 2,200,000 equity shares of face value of ₹ 10 each.

*Shareholding*

The shareholding pattern of DFTPL is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom Technology Limited | 2,199,999 | 99.99 |
| Sandeep Aggarwal | 1 | 0.01 |

**3.** ***Xeraphin Finvest Private Limited (“XFPL”)***

*Corporate Information*

XFPL, a registered NBFC, was incorporated on September 11, 1996 at Delhi as a private limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the RoC. Its corporate identification number is U67120DL1996PTC081847. It has its registered office at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi.

*Nature of business*

XFPL is authorised by its memorandum of association to provide, arrange or syndicate finance, credit, loan, lease facility guarantee, letter of credit, acceptance and fund based and non-fund based facility of any type including foreign carrying loans, and assistance, incorporative investments, loans, to provide, arrange and/or syndicate factoring facilities for debts.

*Capital Structure*

The authorised share capital of XFPL is ₹ 12,500,000 divided into 1,250,000 equity shares of face value ₹ 10 each and the issued, subscribed and paid up share capital of XFPL is ₹ 11,500,000 divided into 1,150,000 equity shares of face value ₹ 10 each.

*Shareholding*

The shareholding pattern of XFPL is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom Technology Limited | 1,149,999 | 99.99 |
| Sandeep Aggarwal | 1 | 0.01 |

### *4. Droom Data Science Private Limited* ("**DDSPL**")

*Corporate Information*

DDSPL was incorporated on September 4, 2021 at Delhi as a private limited company under the Companies Act, 2013 and a certificate of incorporation was issued by the RoC. Its corporate identification number is U72900DL2021PTC386090. It has its registered office at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi.

*Nature of Business*

DDSPL is authorised by its memorandum of association to carry on the business of providing online technology, technology services, e-commerce services, online marketing services and fulfilment services and brand development service.

*Capital Structure*

The authorised share capital of DDSPL is ₹ 1,000,000 divided into 100,000 equity shares of face value of ₹ 10 each and the issued, subscribed and paid up share capital of DDSPL is ₹ 1,000,000 divided into 100,000 equity shares of face value of ₹ 10 each.

*Shareholding*

The shareholding pattern of DDSPL is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom Technology Limited | 99,999 | 99.99 |
| Amarpreet Singh | 1 | 0.01 |

**Step-down Subsidiaries**

### *5. Droom Data Science (Singapore) Pte. Ltd.* **("Droom Singapore")**

*Corporate Information*

Droom Singapore was incorporated on October 1, 2021 as a private limited company under the Companies Act CAP 50 under the laws of the Republic of Singapore. Its Unique Identity Number is 202134317E. It has its registered office at 77 Robinson Road, # 16-00, Robinson 77, Singapore (068896).

Droom Singapore is primarily engaged in the development of e-commerce applications.

*Capital Structure*

The issued, subscribed, and paid-up capital share capital of Droom Singapore is USD 100,000 divided into 100,000 ordinary shares of USD 1 each.

*Shareholding*

The shareholding pattern of Droom Singapore is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| DDSPL | 100,000 | 100 |

### *6. Droom International Pte Ltd* **("Droom International")**

*Corporate Information*

Droom International was incorporated on August 10, 2018 as a private limited company under the Companies Act CAP 50 under the laws of the Republic of Singapore. Its Unique Identity Number is 201827470K. It has its registered office at 77 Robinson Road, # 16-00, Robinson 77, Singapore (068896).

Droom International is primarily engaged in the development of e-commerce applications.

*Capital Structure*

The issued, subscribed, and paid-up capital share capital of Droom International is USD 2 divided into 2 ordinary shares of USD 1 each.

*Shareholding*

The shareholding pattern of Droom International is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom Singapore | 2 | 100 |

**7. *Droom (Thailand) Limited* ("Droom Thailand")**

*Corporate Information*

Droom Thailand was incorporated on October 25, 2018 under the laws of the Kingdom of Thailand. Its registration number is 0105561183809. It has its registered office at Number 399, Interchange Building, $24^{th}$ Floor, Room 10, Sukhumvit Road, Klongtoey-Nua Sub-district, Wattana District, Bangkok.

Droom Thailand is authorised to engage in the business of shipment transportation, as authorized under the objects clause of its memorandum of associations.

*Capital Structure*

The authorised capital of Droom Thailand is THB 4,000,000 divided into 400,000 shares of THB 10 each and its issued, subscribed and paid up equity share capital is THB 4,000,000 divided into 400,000 shares of THB 10 each

*Shareholding*

The shareholding pattern of Droom Thailand is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom International | 399,998 | 99.99 |
| Sandeep Aggarwal | 1 | Negligible |
| Amarpreet Singh | 1 | Negligible |

**8. *Droom Malaysia Sdn. Bhd.* ("Droom Malaysia")**

*Corporate Information*

Droom Malaysia was incorporated on September 14, 2018 as a private limited company under the Companies Act, 2016 under the laws of Malaysia. Its registration number is 201801033274 (1295301- V). It has its registered office at Unit No. 17-2, Level 17 Wisma UOA II No. 21, Jalan Pinang 50450, Kuala Lumpur W.P., Kuala Lumpur, Malaysia.

Droom Malaysia is primarily engaged in the business of advertising and marketing services.

*Capital Structure*

The authorised issued, subscribed, and paid-up capital share capital of Droom Malaysia is RM 1,000 divided into 1,000 ordinary shares of RM 1 each and its issued, subscribed and paid up share capital is RM 1000 divided in to 1000 ordinary shares of RM 1 each.

*Shareholding*

The shareholding pattern of Droom Malaysia is as follows:

| Name of the Shareholder | Number of shares | Percentage of total shareholding (%) |
|---|---|---|
| Droom International | 999 | 99.90 |
| Sandeep Aggarwal | 1 | 0.10 |

**Accumulated Profits or Losses**

There are no accumulated profits and losses of any Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Information.

**Interest in our Company**

Except as disclosed in the section "*Related Party Transactions*" on page 191, our Subsidiaries and our Associate do not have or propose to have any business interest in our Company.

**Common Pursuits**

Our Subsidiaries and our Associate are engaged in lines of business that are similar to our Company. However, as on the date of this Draft Red Herring Prospectus, there is no material conflict of interest between our Company, our Subsidiaries and our Associate.

We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

## OUR MANAGEMENT

In terms of the Articles of Association, our Company is authorised to have a maximum of 15 Directors and not less than three directors, in accordance with the provisions of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Board comprises six Directors, including two Executive Directors and four Non-executive Directors including three Independent Directors, of whom one is a woman Director. The present composition of the Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the details of our Board as of the date of this Draft Red Herring Prospectus:

| Name, designation, date of birth, address, occupation, current term, date of appointment and DIN | Age (years) | Other directorships |
|---|---|---|
| **Sandeep Aggarwal**<br><br>*Designation*: Chairman, Whole-time Director and & Chief Executive Officer<br><br>*Date of birth*: December 29, 1972<br><br>*Address*: House no. 1702, Pent House, Block No. B1, 16th Floor, World Spa West, Sector – 30, Gurgaon – 122001 Haryana<br><br>*Occupation*: Business<br><br>*Current term*: Three years with effect from October 21, 2021<br><br>*Period of directorship*: Director since July 29, 2020<br><br>*DIN*: 01078744 | 48 | • Suddhtatva Farming Private Limited<br>• Droom Finance Tech Private Limited<br>• Droom Pte. Ltd<br>• Droom (Thailand) Limited<br>• Droom Malaysia Sdn Bhd<br>• Droom Fintech Pte Ltd<br>• PT Droom Technology Indonesia<br>• Droom Labs, Inc<br>• Droom Data Science (Singapore) Pte Ltd<br>• Droom International Pte Ltd<br>• Boundless Organic Private Limited<br>• Abhivyakti Infotech Private Limited<br>• Droom Tech Logistic Private Limited<br>• E-Commerce Association of India |
| **Amarpreet Singh**<br><br>*Designation*: Whole- time Director & VP-Finance<br><br>*Date of birth*: December 16, 1986<br><br>*Address*: F-169, F- Block, Near Puran Singh Dera, Vishnu Garden, New Delhi – 110018<br><br>*Occupation*: Serviceman<br><br>*Current* term: Three years with effect from October 16, 2021. Liable to retire by rotation.<br><br>*Period of directorship*: Director since January 7, 2019<br><br>*DIN*: 08193931 | 34 | • Suddhtatva Farming Private Limited<br>• Droom Finance Tech Private Limited<br>• Xeraphin Finvest Private Limited<br>• Boundless Organic Private Limited<br>• Droom Data Science Private Limited<br>• Droom Tech Logistic Private Limited<br>• E-Commerce Association of India |
| **Rishab Malik**<br><br>*Designation*: Non-executive Director<br><br>*Date of birth*: November 20, 1981<br><br>*Address*: S-127, Greater Kailash-2, South Delhi, New Delhi-110048<br><br>*Occupation*: Service<br><br>*Current* term: Liable to retire by rotation.<br><br>*Period of directorship*: Director since October 16, 2021<br><br>*DIN*: 01788466 | 39 | • Junket Foods Private Limited<br>• Liquii Beverages Private Limited<br>• Thought Roots India Private Limited<br>• Aabha Fraternity Private Limited<br>• NJT Network Private Limited |

| Name, designation, date of birth, address, occupation, current term, date of appointment and DIN | Age (years) | Other directorships |
|---|---|---|
| **Joy Kumar Jain**<br><br>*Designation*: Independent Director<br><br>*Date of birth*: July 15, 1964<br><br>*Address*: 12, Moulsari Avenue, DLF City Phase-3, Gurgaon-122002, Haryana<br><br>*Occupation*: Chartered Accountant<br><br>*Current* term: Three years with effect from October 16, 2021<br><br>*Period of directorship*: Director since October 16, 2021<br><br>*DIN*: 06406359 | 57 | • Joy Financial Consulting Private Limited |
| **Namrita Mahindro**<br><br>*Designation*: Independent Director<br><br>*Date of birth*: October 11, 1974<br><br>*Address*: C-79, Defence Colony, South Delhi, Delhi-110024<br><br>*Occupation*: Corporate Professional<br><br>*Current* term: Three years with effect from October 16, 2021<br><br>*Period of directorship*: Director since October 16, 2021<br><br>*DIN*: 09346475 | 47 | Nil |
| **Rajat Kumar Jain**<br><br>*Designation*: Independent Director<br><br>*Date of birth*: September 13, 1963<br><br>*Address*: B-6/806, Sahara Grace, Behind Sahara Mall, MG Road, Gurgaon-122001, Haryana<br><br>*Occupation*: Business Professional<br><br>*Current* term: Three years with effect from October 16, 2021<br><br>*Period of directorship*: Director since October 16, 2021<br><br>*DIN*: 00046053 | 58 | • Neva Garments Limited<br>• Kaleidoscope Events Private Limited<br>• Fino Payments Bank Limited<br>• Securenow Techservices Private Limited<br>• Tim Delhi Airport Advertising Private Limited<br>• Intelligent Resources Services Private Limited<br>• Padup Ventures Private Limited |

**Brief profiles of our Directors**

**Sandeep Aggarwal** is the Chairman, Whole-time Director and & Chief Executive Officer of our Company as well as the founder of our Company. He holds a master's degree in business administration from the Washington University as well as a diploma in business finance from the Institute of Chartered Financial Analysts of India. Prior to starting our Company, he was associated with Clues Network (Private) Limited, Clues Network Inc, Charles Schwab & Co, Inc., Citigroup Global Markets Inc., Collins Stewart LLC, Microsoft Corporation and Oppenheimer & Co Inc.

**Amarpreet Singh** is a Whole-time Director & the VP-Finance of our Company. He holds a bachelor's degree in commerce from the Delhi University and is also an associate of the Institute of Chartered Accountants in India. Prior to joining our Company, Amarpreet Singh was associated with Clues Network (Private) Limited. He has several years of experience in accounting and finance function in the e-commerce and internet sector.

**Rishab Malik** is a Non-executive Director of our Company. He holds a bachelor's degree in arts from the University of Texas and a master's degree in business administration from INSEAD. He is a venture partner at Jungle Ventures. He has been previously associated with GSF India as an Operating partner.

**Joy Kumar Jain** is an Independent Director of our Company. He holds a bachelor's degree in commerce from Shri Ram College of Commerce, University of Delhi. He is a Fellow Chartered Accountant from the Institute of Chartered Accountants of India. He is also a Registered Valuer, an Insolvency Professional and a Cost and Management Accountant. He is the Director of Joy Financial Consulting Private Limited. Previously, he was associated with PricewaterhouseCoopers as a Partner and director with Essar Power Limited, Essar Power Gujarat Limited and EICL Limited. He has several years of experience in the corporate consulting and auditing services.

**Namrita Mahindro** is an Independent Director of our Company. She holds a master's degree in business administration from Cranfield University. She was associated with the Indian Hotels Company Limited and Mahindra & Mahindra Limited and is currently engaged as the Chief Digital Officer of the Chemicals, Fashion Yarn and Insulators Business of the Aditya Birla Group.

**Rajat Kumar Jain** is the Independent Director of our Company. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Delhi and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has several years of experience in helming various leadership roles in sectors across consumer, telecom, media & technology in India which includes corporates like Walt Disney Company (India) Private Limited, Mobile2Win India Private Limited and Xerox India, amongst others.

**Confirmations**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

**Relationship between Directors and Key Managerial Personnel**

As on the date of this Draft Red Herring Prospectus, none of our Directors are related to each other or to any of the Key Managerial Personnel.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

**Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Directors has been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

**Service contracts with Directors**

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

**Terms of appointment of our Executive Directors**

*Sandeep Aggarwal*

Pursuant to the resolution passed by our Board on October 21, 2021 and our Shareholders on October 21, 2021, respectively, Sandeep Aggarwal was appointed as the Chief Executive Officer of our Company for a period of three years. Further, pursuant to the resolutions passed by our Board on October 21, 2021 and our Shareholders on October 21, 2021, respectively, he was designated as the Whole-time Director of our Company, for a term of three years with effect from October 21, 2021, in addition to not being liable to retire by rotation, on the following terms.

| Particulars | Remuneration |
| --- | --- |
| Remuneration | • ₹ 25 million per annum with authority to our Board to vary/alter the remuneration in terms of Schedule V and other applicable provisions if any, of the Companies Act, 2013<br>• Bonus /Performance linked incentive/variable pay, if any, |

| Particulars | Remuneration |
|---|---|
| | payable as recommended by NRC and approved by the Board. |
| Perquisites | Perquisites and other benefits shall include medical reimbursement, leave travel concession, provident fund, superannuation fund or annuity fund, special allowance, leave encashment, gratuity, Company maintained car, fuel, driver and mobile/telephone as per Company's policy and other benefits as may be provided from time to time.<br><br>Perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Business related expenses including expenses incurred for travelling, board and lodging shall be reimbursed at actuals and not considered as perquisites |

No remuneration was paid to Sandeep Aggarwal in any capacity by our Company, including any contingent or deferred compensation, for the Financial Year 2021.

*Amarpreet Singh*

Pursuant to the resolutions passed by our Board on October 16, 2021 and our Shareholders on October 17, 2021, respectively, he was appointed as the Whole-time Director of our Company, for a term of three years with effect from October 16, 2021, in addition to being liable to retire by rotation, on the following terms:

| Particulars | Remuneration |
|---|---|
| Remuneration | • Up to ₹ 4,930,000 per annum (including variable amount of ₹ 250,000 with authority to the Board to vary/alter the remuneration in terms of Schedule V and other applicable provisions if any, of the Companies Act, 2013.<br>• Bonus /Performance linked incentive/variable pay, if any, payable as recommended by NRC and approved by the Board. |
| Perquisites | Perquisites and other benefits shall include medical reimbursement, leave travel concession, provident fund, superannuation fund or annuity fund, special allowance, leave encashment, gratuity, Company maintained car, fuel, driver and mobile/telephone as per Company's policy and other benefits as may be provided from time to time.<br><br>Perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.<br><br>Business related expenses including expenses incurred for travelling, board and lodging shall be reimbursed at actuals and not considered as perquisites. |

The total remuneration paid to Amarpreet Singh for all services in all capacities to our Company, including contingent or deferred compensation accrued for the year during Financial Year 2021 is ₹ 2.93 million.

***Sitting fee details for our Non-executive and Independent Directors***

Our Board, pursuant to the resolution dated October 16, 2021 has approved the payment of sitting fees of ₹ 50,000 to our Non-Executive Directors for attending meetings of our Board and committees. Our Non-Executive Directors do not receive any other remuneration.

No sitting fees was paid to our Non-Executive Directors in Fiscal 2021

**Remuneration paid or payable by our Subsidiaries or Associate Companies**

No remuneration, sitting fees or commission was paid or is payable, to any of our Directors from any of our Subsidiaries or Associate Companies in Fiscal 2021.

**Shareholding of Directors in our Company**

Except for Sandeep Aggarwal and Amarpreet Singh, our Executive Directors, who hold one Equity Share each on behalf of and as a nominee of Droom Pte. Ltd., none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

For further details of shareholding of our directors, see "*Capital Structure*" beginning on page 70.

**Borrowing Powers**

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at the EGM held on October 17, 2021, our Board has been authorized to borrow any sum or sums of monies, notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) will or may exceed our Company's aggregate paid-up share capital, free reserves and securities premium, provided that the total amount of money so borrowed by the Board shall not at any time exceed a sum of ₹ 5,000 million over and above the aggregate of the paid-up share capital, free reserves and securities premium of the Company.

**Bonus or profit-sharing plan for our Directors**

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors.

**Contingent and deferred compensation payable to the Directors**

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

**Interest of Directors**

Our Non-executive and Independent Directors may be deemed to be interested to the extent of the commission and sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them as approved by our Board/ Shareholders. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any or to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship, or to the extent the Equity Shares that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees or promoters, as applicable, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any variable pay as per the terms of their appointment, as applicable, dividend payable to them and other distributions in respect of such Equity Shares.

No loans have been availed by our Directors from our Company.

None of our Directors are interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

*Interest in property*

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc

*Interest in the promotion and formation of our Company*

Except Sandeep Aggarwal, who is one of our Promoters and initial subscriber to our MoA, none of our other Directors have any interest in the promotion and formation of our Company.

*Business interest*

Except as stated in "*Related Party Transactions*" on page 191, and to the extent set out above under " – *Interests of Directors*" on page 170, our Directors do not have any other interest in our business.

**Changes to our Board in the last three years**

| Name | Date of appointment/ change in designation/ cessation | Reason |
|---|---|---|
| Amarpreet Singh | January 7, 2019 | Appointment as Additional Director |
| Ramutar Goel | February 4, 2019 | Cessation as Director |
| Puneet Bhaskar | February 5, 2019 | Appointment as Additional Director |
| Sandeep Aggarwal | February 4, 2019 | Cessation as Director |
| Amarpreet Singh | September 30, 2019 | Regularization as Director |
| Puneet Bhaskar | September 30, 2019 | Regularization as Director |
| Sandeep Aggarwal | July 29, 2020 | Appointment as Additional Director |
| Puneet Bhaskar | July 29, 2020 | Cessation as Director |
| Sandeep Aggarwal | December 31, 2020 | Regularization as Director |
| Devesh Gautam | August 11, 2021 | Appointment as Additional Director |
| Devesh Gautam | October 16, 2021 | Cessation as Director |
| Sandeep Aggarwal | October 21, 2021 | Appointment as Whole Time Director |
| Amarpreet Singh | October 16, 2021 | Appointment as Whole Time Director |
| Rishab Malik | October 16, 2021 | Appointment as Non-Executive Director |
| Joy Kumar Jain | October 16, 2021 | Appointment as Independent Director |
| Namrita Mahindro | October 16, 2021 | Appointment as Independent Director |
| Rajat Kumar Jain | October 16, 2021 | Appointment as Independent Director |

**Corporate Governance**

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, including the constitution of the Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors including one Independent woman Director.

**Committees of our Board**

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013. In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

***1. Audit Committee***

The Audit committee was last re-constituted by a resolution of our Board dated November 9, 2021. The current constitution of the Audit committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Joy Kumar Jain | Chairperson | Independent Director |
| Amarpreet Singh | Member | Whole-time Director & VP-Finance |
| Namrita Mahindro | Member | Independent Director |

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The roles and responsibilities of the Audit Committee include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment,re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) approval or any subsequent modification of transactions of the company with related parties;

(7) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions; and

g. Modified opinion(s) in the draft audit report.

(8) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(9) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(10) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(11) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed

***Explanation:*** *The term "related party transactions" shall have the same meaning as provided in Clause2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(12) scrutiny of inter-corporate loans and investments;

(13) valuation of undertakings or assets of the Company, wherever it is necessary;

(14) evaluation of internal financial controls and risk management systems;

(15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(16) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(17) discussion with internal auditors of any significant findings and follow up thereon;

(18) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(19) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(20) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(22) reviewing the functioning of the whistle blower mechanism;

(23) monitoring the end use of funds raised through public offers and related matters;

(24) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(25) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(26) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

(27) carryingout any other function as is mentioned in the terms of reference of the Audit Committee;

(28) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders and

(29) carrying out any other functions required to be carried out by the Audit Committees contained in the SEBI Listing Regulations or any other applicable laws, as and when amended from time to time.

(30) The audit committee shall mandatorily review the following information:
- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations in terms of the SEBI Listing Regulations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (7) review the financial statements, in particular, the investments made by any unlisted subsidiary.

(31) The powers of the Audit Committee shall include the following:
- (1) to investigate any activity within its terms of reference;
- (2) to seek information from any employee;
- (3) to obtain outside legal or other professional advice; and
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary. and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(32) The Company Secretary of the Company shall act as Secretary to the Committee Meetings.

***2. Nomination and Remuneration Committee ("NR Committee")***

The NR Committee was constituted by a resolution of our Board date October 21, 2021. The current constitution of the NR Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Rajat Kumar Jain | Chairperson | Independent Director |
| Joy Kumar Jain | Member | Independent Director |
| Rishab Malik | Member | Non-Executive Director |

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

(5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(6) Recommend to the board, all remuneration, in whatever form, payable to senior management;

(7) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable laws, as and when amended from time to time."

(8) Analysing, monitoring and reviewing various human resource and compensation matters;

(9) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(10) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(11) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;

(12) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(13) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;

(14) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

(15) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description, For the purpose of identifying suitable candidates, the Committee may:

(a) Use the services of external agencies, if required;

(b) Consider the candidates from a wider range of backgrounds, having due regard to diversity; and

(c) Consider the time commitments of the candidates.

(16) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable laws or regulatory authority.

### *3. Corporate Social Responsibility Committee ("CSR Committee")*

The CSR Committee was constituted by a resolution of our Board dated October 21, 2021.The current constitution of the CSR Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Namrita Mahindro | Chairperson | Independent Director |
| Sandeep Aggarwal | Member | Whole-time Director & Chief Executive Officer |
| Amarpreet Singh | Member | Whole-time Director & VP-Finance |

The scope and function of the CSR Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

(d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

### *4. Stakeholders' Relationship Committee ("SRC Committee")*

The SR Committee was constituted by a resolution of our Board on October 21, 2021. The current constitution of the SR Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Namrita Mahindro | Chairperson | Independent Director |
| Sandeep Aggarwal | Member | Whole-time Director & Chief Executive Officer |
| Rishab Malik | Member | Non-Executive Director |

The scope and function of the SR committee is in accordance with section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings *etc.*;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and

- Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

***5. Risk Management Committee ("RM Committee")***

The RM Committee was constituted by a resolution of our Board dated October 21, 2021. The current constitution of the RM Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Rajat Kumar Jain | Chairperson | Independent Director |
| Sandeep Aggarwal | Member | Whole-time Director & Chief Executive Officer |
| Amarpreet Singh | Member | Whole-time Director & VP-Finance |
| Akshay Singh | Member | Chief Strategy Officer |

The scope and function of the RM Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

1. To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

***6. IPO Committee***

The IPO Committee was constituted by a resolution of our Board dated October 21, 2021. The current constitution of the IPO committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Sandeep Aggarwal | Chairperson | Whole-time Director & Chief-Executive Officer |
| Joy Kumar Jain | Member | Independent Director |
| Amarpreet Singh | Member | Whole-time Director & VP-Finance |

(a) To make applications to the Government of India, Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), or to any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required

(b) To finalise, approve and file the draft Red Herring Prospectus with the SEBI, the Red Herring Prospectus And Prospectus with the SEBI, Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi (the "RoC"), and other regulatory authorities and the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Offer as finalised by the Company, and take all such actions in consultation with the Book Running Lead Managers (the "BRLMs") as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RoC or any other relevant governmental and statutory authorities or otherwise under applicable laws

(c) To decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto

(d) To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, public offer account bankers to the Offer, sponsor bank, registrar, legal advisors, advertising agency, monitoring agency and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment;

(e) To take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Selling Shareholder(s) for offering their Equity Shares including the quantum in terms of number of Equity Shares/amount offered by the Selling Shareholder(s) in the Offer for Sale, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

(f) To authorise the maintenance of a register of holders of the Equity Shares;

(g) To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the BRLMs' mandate or fee/ engagement letter, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements, addenda and corrigenda thereto, as may be required or desirable in relation to the Offer, with the power to authorise one or more officers of the Company to negotiate, execute and deliver any or all of the these documents;

(h) To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI and operate bank accounts opened in terms of the escrow agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(i) To seek, if required, the consent of the lenders to the Company and/or lenders to the subsidiary (if applicable), industry data provider, parties with whom the Company has entered into various commercial and other agreements, and any other consents and/or waivers that may be required in relation to the Offer;

(j) To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the uniform listing agreement to be entered into by the Company with the relevant stock exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, (given the proposed listing of the Company);

(k) To authorise and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;

(l) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investors offer price), total number of Equity Shares to be reserved for allocation to eligible investors, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

(m) To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(n) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(o) To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

(p) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;

(q) To withdraw the draft red herring prospectus, red herring prospectus and the Offer at any stage, if deemed necessary, in accordance with Applicable Laws and in consultation with the BRLMs

(r) To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including draft red herring prospectus, red herring prospectus and prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder(s) (as maybe applicable), as the case may be, in relation to the Offer

(s) To make applications for listing of the Equity Shares in one or more recognised stock exchange(s) in India and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

(t) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

(u) determine the utilization of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws; and

(v) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company.

**Management organization chart**

## Board of Directors

**Sandeep Aggarwal**
*Chairman, Whole-time Director & CEO*

**Namrita Mahindro**
*Independent Director*

**Rajat Jain**
*Independent Director*

**Joy Kumar Jain**
*Independent Director*

**Rishab Malik**
*Non-Executive Director*

**Amarpreet Singh**
*Whole-time Director & VP- Finance*

# Management

**Sandeep Aggarwal**
*Chairman, Whole-time Director & CEO*

**Akshay Singh**
*Chief Strategy Officer*

**Mohit Ahuja**
*Chief Marketing Officer*

**Somendra Rathore**
*VP, Product*

**Varun Sethi**
*Chief Financial Officer*

**Amarpreet Singh**
*Whole-time Director & VP- Finance*

**Vineet Bahl**
*AVP, Legal*

**Anil Dwivedi**
*Company Secretary &*
*Chief Compliance Officer*

**Key Managerial Personnel**

In addition to our Executive Directors, Sandeep Aggarwal and Amarpreet Singh, the details of the other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below. For details of our Executive Directors– see - "*Brief Profiles of the Directors*" on page 167.

**Anil Dwivedi** is the Company Secretary and Chief Compliance Officer of our Company. He holds a bachelor's degree in commerce from the University of Allahabad as well as a bachelor's degree in law from Dr. Bhimrao Ambedkar University, Agra. He is a qualified company secretary and an associate member of the Institute of Company Secretaries of India. He was appointed as Company Secretary and Chief Compliance Officer on October 21 2021. Prior to joining our Company, he was associated with Devyani International Limited as a General Manager – Company Secretary. He has not received any compensation from us in the last Fiscal

**Varun Sethi** is the Chief Financial Officer of our Company, He holds a bachelor's degree in commerce from SGTB Khalsa College, Delhi University. He is a qualified chartered Accountant and an associate member of the Institute of Chartered Accountants of India. He joined our Company on October 1, 2021. Prior to joining our Company, he was associated with M/s Ernst & Young, Walker Chandiok & Co, LLP, Protiviti India Member Limited. He has not received any compensation from us in the last Fiscal.

**Akshay Singh** is the Chief Strategy Officer of our Company. He holds a bachelor's degree in technology (computer science honours) from the International Institute of Information Technology, Hyderabad and a post-graduate diploma in management from the Indian Institute of Management, Bangalore. He has previously been associated with the Boston Consulting Group, Deloitte Consulting India Private Limited and Google (India) Private Limited. He joined our Company on April 15, 2019. He received a gross compensation of ₹5.28 million from us in the last Fiscal.

**Somendra S. Rathore** is the Vice President – Product Management of our Company. He holds a bachelor's degree in engineering from the University of Rajasthan (Jaipur). He has also completed a one-year certificate course on the executive general management programme conducted by the Indian Institute of Management, Lucknow. He has previously been associated with Amazon Development Centre (India) Private Limited, Clues Network (Private) Limited, Magicbricks Realty Services Limited. He joined our Company on November 2, 2015 and resigned on September 26, 2020. He has been reappointed on April 7, 2021. He received a gross compensation of ₹2.48 million from us in last Fiscal.

**Mohit Ahuja** is the Chief Marketing Officer of our Company. He holds a post-graduate diploma in management from Management Development Institute, Gurgaon and a bachelor's degree in Computer Engineering from Bharati Vidyapeeth University, Pune. He has previously been associated with companies like Walmart India Private Limited and Foodpanda (Pisces eServices Private Limited). He joined our Company in January 2016 and resigned in February 2019. He was reappointed in April 2021. He has not received any compensation from us in the last Fiscal.

**Vineet Bahl** is the Assistant Vice President- Legal of our Company. He holds a bachelor's degree in art (law) as well as a bachelor's degree in law from the Indian Institute of Law and Management, Maharshi Dayanand University, Rohtak. He has previously been associated with Ashoka University, Phillips Electronics India Limited, the Evalueserve group of Companies and Getit Infoservices (Private) Limited (Askme.com). He joined our Company on August 4, 2017. He received a gross compensation of ₹2.20 million from us in the last Fiscal.

None of the Key Managerial Personnel are related to each other or with any of the Directors.

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

**Retirement and termination benefits**

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

**Arrangements or Understanding with Major Shareholders, Customer, Suppliers or Others**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

**Shareholding of Key Managerial Personnel**

| Name of Key Managerial Personnel | Number of Equity Shares | Pre- Offer Percentage Shareholding (%) |
|---|---|---|
| Sandeep Aggarwal | Nil* | N.A. |
| Amarpreet Singh | Nil* | N.A. |
| Akshay Singh | Nil* | N.A. |
| Vineet Bahl | Nil* | N.A. |
| **Total** | **Nil** | **N.A.** |

** One Equity Share is held on behalf of and as nominee of Droom Pte. Ltd.*

**Service Contracts with Key Managerial Personnel**

Our Company has not entered into any service contracts, pursuant to which its Key Managerial Personnel, are entitled to benefits upon termination of employment. Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Directors and Key Managerial Personnel, are entitled to any benefit upon termination of employment or superannuation.

**Payment or Benefit to officers of our Key Managerial Personnel (non-salary related)**

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given as on the date of this Draft Red Herring Prospectus.

**Contingent and deferred compensation payable to Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

**Attrition rate of Key Managerial Personnel**

The attrition rate of our Key Managerial Personnel is not high compared to the industry in which our Company operates.

**Bonus or profit-sharing plan for the Key Managerial Personnel**

None of the Key Managerial Personnel is party to any bonus or profit-sharing plan of our Company.

**Arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as a Key Managerial Personnel or member of senior management.

**Interest of Key Managerial Personnel**

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any. None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration

**Changes in the Key Managerial Personnel in last three years:**

For details of the changes in our Executive Directors, see "*Our Management - Changes to our Board in the last three years*" on page 171. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Draft Red Herring Prospectus is as mentioned below:

| Name | Designation | Date of Change | Reason |
|---|---|---|---|
| Varun Sethi | Chief Financial Officer | October 21, 2021 | Appointed as Chief Financial Officer |
| Anil Dwivedi | Company Secretary and Chief Compliance Officer | October 21, 2021 | Appointed as Company Secretary and Chief Compliance Officer |

| Name | Designation | Date of Change | Reason |
|---|---|---|---|
| Akshay Singh | Chief Strategy Officer | July 1, 2020 | Appointment as Chief Strategy Officer |
| Vineet Bahl | Assistant Vice President- Legal | July 1, 2020 | Appointment as Assistant Vice President- Legal |
| Mohit Ahuja | Chief Marketing Officer | April 7, 2021 | Appointment as Chief Marketing Officer |
| Somendra S. Rathore | Vice President- Product Management | April 7, 2021 | Appointment as Vice President- Product Management |

**Employee Stock Option**

For details of our Company's employee stock option plan, see "*Capital Structure – Employee Stock Option Scheme*" on page 78.

## OUR PROMOTERS AND PROMOTER GROUP

Sandeep Aggarwal and Droom Pte. Ltd. are the promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters (along with the nominees of Droom Pte. Ltd.) currently hold an aggregate of 191,302,260 Equity Shares representing 100% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled "*Capital Structure – History of the Equity Share capital held by our Promoters*" on page 72.

**Details of our Promoters are as follows**:

**Sandeep Aggarwal**

***Sandeep Aggarwal***, aged 48 years, is our Promoter and is also the Chairman, Whole-time Director & Chief Executive Officer on our Board.

***Date of Birth:*** December 29, 1972

***Address***: House no. 1702, Pent House, Block No. B1, 16th Floor, World Spa West, Sector – 30, Gurgaon – 122001 Haryana

***Permanent Account Number***: AAOPA9179L

***Aadhar Card Number:*** 6951 2099 7534

***Driving License***: HR26 2016 0011169

For the complete profile of Sandeep Aggarwal, along with details of his educational qualifications, experience in the business or employment, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, see "*Our Management – Brief Profiles of our Directors*" on page 167.

Our Company confirms that the permanent account number and bank account number and passport number of Sandeep Aggarwal will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

***Corporate Promoter***

**Droom Pte. Ltd.**

Droom Pte. Ltd. was incorporated on June 17, 2014 as a private limited company under the laws of Singapore, pursuant to a certificate of incorporation issued by the Accounting and Corporate Regulatory Authority (ACRA). The registered office of Droom Pte. Ltd. is situated at 77, Robinson Road, # 16-00, Robinson 77, Singapore (0688960).

Droom Pte. Ltd. is primarily engaged in the business of development of e-commerce applications. There have been no changes to the primary business activities undertaken by Droom Pte. Ltd.

*Board of directors of Droom Pte. Ltd.*

The board of directors of Droom Pte. Ltd. as on the date of this Draft Red Herring Prospectus is as follows:

1. Koo Siew Gan
2. Sandeep Aggarwal
3. Siddhartha Talwar

*Capital Structure*

The issued, subscribed and paid-up capital of Droom Pte. Ltd. is divided into USD 10,958,752.4 consisting of 7,458,569 ordinary shares and USD 74,094,041.51 consisting of 15,760,873 preference shares.

*Shareholding Pattern*

The shareholding pattern of Droom Pte. Ltd. as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of Shareholders | No of Ordinary Shares | No. of Preference Shares |
|---|---|---|---|
| 1. | Jean-Daniel Lorenzo | - | 8,728 |
| 2. | Bruno Bachelier | - | 5,818 |
| 3. | Beenos Asia Pte. Limited | - | 2,017,138 |
| 4. | Beenext Pte. Limited | - | 2,343,681 |
| 5. | Security Pte. Limited | - | 87,895 |
| 6. | Jonathan Friedman | - | 73,527 |
| 7. | Noopur Sethi | 29,166 | - |
| 8. | Mayank Singh Chaudhary | 187,500 | - |
| 9. | Angela Cearns | - | 43,947 |
| 10. | Po Han Tsai | - | 29,092 |
| 11. | Sandeep Aggarwal | 7,219,462 | - |
| 12. | Alok Sangwan | - | 11,657 |
| 13. | Dhruvin Rajeshkumar Patel | - | 35,411 |
| 14. | Joyce Tsang Yee Tang | - | 2,909 |
| 15. | Pravinkumar Harjibhai Patel | - | 52,823 |
| 16. | Ajay Srinivas Raghavan | 419 | - |
| 17. | Ishan Ghanshyam Patel | - | 109,846 |
| 18. | Dimple Kapani | - | 11,657 |
| 19. | Dhruti Sharadkumar Patel | - | 11,657 |
| 20. | Jignesh Govindbhai Patel | - | 11,657 |
| 21. | Hiramani Sharma | 4,999 | - |
| 22. | Cheng Ka King | - | 29,092 |
| 23. | Wai Yu Wong | - | 8,728 |
| 24. | Apoorv Sood | 312 | - |
| 25. | Pawan Kumar Shakya | 250 | - |
| 26. | Yong Jee Hye | - | 5,829 |
| 27. | Wilson Cheuk Yao Pau | - | 3,491 |
| 28. | Sachin Verma | 654 | - |
| 29. | Gabrielle Catherine Mary Seacy | - | 5,829 |
| 30. | Toyota Tsusho Corporation | - | 144,184 |
| 31. | Dg Ventures, Inc. | - | 522,993 |
| 32. | Axis Capital Partners Limited | - | 29,143 |
| 33. | Itschak Friedman 2012 Family Trust | - | 243,763 |
| 34. | Ana Friedman 2013 Irrevocable Trust | - | 358,547 |
| 35. | Ungar Friedman Investments, LP | - | 185,316 |
| 36. | Chaim Friedman (Trust) Ltd. | - | 119,382 |
| 37. | Lightbox Ventures II | - | 5,230,373 |
| 38. | Pt. Karang Mas Investama | - | 116,572 |
| 39. | S.A.N Garment Manufacturing Private Limited | - | 23,314 |
| 40. | Rsi Fund I. Llc | - | 116,573 |
| 41. | Integrated Asset Management (Asia) Limited | - | 208,119 |
| 42. | Able Earn Investments Limited | - | 14,546 |
| 43. | Merchant Capital Global Limited | - | 58,184 |
| 44. | Jumpex Worldwide Limited | - | 135,337 |
| 45. | Success Element Investments Limited | - | 14,546 |
| 46. | Top Ceiling Investments Limited | - | 58,184 |
| 47. | Lightbox Expansion Fund | - | 212,380 |
| 48. | Evenstar Master Fund Spc | - | 144,184 |

| Sr. No. | Name of Shareholders | No of Ordinary Shares | No. of Preference Shares |
|---|---|---|---|
| 49. | Fast Gain International Limited | - | 96,123 |
| 50. | Merlion Macro Fund | - | 96,123 |
| 51. | Aldworth Management Limited | - | 14,546 |
| 52. | Mamoru Taniya | - | 174,859 |
| 53. | Jo Hirao | - | 961,227 |
| 54. | Sharadkumar Govindlal Patel | - | 11,657 |
| 55. | Ghanshyam Mohanbhai Patel | - | 109,846 |
| 56. | Harshadkumar Mohanlal Kakadia | - | 70,433 |
| 57. | Virendar Rana | - | 1,331,946 |
| 58. | Mohit Ahuja | 8,807 | - |
| 59. | Mohit Mangla | 7,000 | - |
| 60. | Ishan Surendranath Rosha | - | 48,061 |
| **Total** | | **7,458,569** | **15,760,873** |

*Change in control*

There has been no change in the control of Droom Pte. Ltd. during the last three years preceding the date of this Draft Red Herring Prospectus. The natural person behind Droom Pte. Ltd. is Sandeep Aggarwal.

Our Company confirms that the permanent account number, bank account number, company registration number and address of the registrar of companies where Droom Pte. Ltd. is registered will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

**Change in control of our Company**

There has been no change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoter**

Other than as disclosed in this section, "*Our Management – Other Directorships*" on page 166, our Promoters are not involved in any other ventures.

**Interests of our Promoters**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable and any other distributions in respect of their shareholding in our Company. For further details, see "*Capital Structure – Build-up of the Promoter's shareholding in our Company*" on page 72. Additionally, our Promoters may also be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For further details, please see *"Related Party Transactions"* on page 191.

Our Promoters are interested in our Company to the extent of certain intellectual property owned by them or registered in their names, which are used by our Company. For further details, see "*Government and Other Approvals*" and "*Our Business*" on pages 290 and 123, respectively. Further, Sandeep Aggarwal is also interested in our Company as the Director of the Board and may be deemed to be interested in the terms of his appointment as such, including in relation to benefits, remuneration, reimbursement of expenses, etc. For further details, see "*Our Management*" on page 166.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise, by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firm or company, in connection with the promotion or formation of our Company. Other than our Subsidiaries, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

**Interest in property, land, construction of building and supply of machinery**

Our Promoters do not have any interest (direct or indirect) in any property acquired by our Company in the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

**Payment or Benefits to Promoter or Promoter Group**

Except as disclosed herein and as stated in "*Related Party Transactions*" on page 191, there have been no payment or benefits or loans granted by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

**Disassociation by Promoters in the last three years**

Except as mentioned below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of this Draft Red Herring Prospectus:

| S. No. | Name of the Promoter | Name of the entity | Reasons of Dissociation | Circumstances leading to dissociation |
|---|---|---|---|---|
| 1. | Sandeep Aggarwal | Shopsity Tech Private Limited | Transfer/ Sale of Shares | Company discontinued its business |
| 2. | Sandeep Aggarwal | Giveclub Inc | Transfer/ Sale of Shares | Company discontinued its business |
| 3. | Sandeep Aggarwal | Techwydr Technologies P.L | Transfer/ Sale of Shares | Company discontinued its business |

**Material Guarantees**

Our Promoters have not provided any material guarantees to third parties with respect to the Equity Shares.

**Promoter Group**

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

**Natural persons who are part of the Promoter Group**

The natural persons who are part of the Promoter Group, other than our Promoter, are as follows:

| Name of Promoter | Name of member of the Promoter Group | Relationship with the Promoter |
|---|---|---|
| Sandeep Aggarwal | Upasana Bora | Spouse |
| | Raj Kumar Aggarwal | Father |
| | Savitri Aggarwal | Mother |
| | Simpy Aggarwal | Sister |
| | Reeta Gupta | Sister |
| | Raman Aggarwal | Brother |
| | Ahaan Aggarwal | Son |
| | Arjit Aggarwal | Son |
| | Jyoti Prakash Singh Bora | Spouse's father |
| | Tara Bora | Spouse's mother |
| | Utkersh Bora | Spouse's brother |

**Entities forming part of the Promoter Group**

The entities forming part of our Promoter Group are as follows:

- Suddhtatva Farming Private Limited
- Aeren Bpo Services Private Limited
- Aeren It Solutions Private Limited
- Par Excellence Consultancy Services Private Limited

- Par Excellence Securities Private Limited
- Paru Construction Private Limited
- Pinnacle Builders And Engineers Private Limited
- Savitri Projects And Management Consultants Limited
- Aeren Ip Services Private Limited
- Shreman Legal Staffing Solutions Private Limited
- Neelmount Securities Private Limited
- Boundless Organic Private Limited
- Abhivyakti Infotech Private Limited
- E-Commerce Association of India
- Droom Tech Insurance Broking Private Limited
- Ortus Infotech Private Limited
- Jupitice Justice Technologies Private Limited
- Digital Karma Trust
- Droom Fintech Pte. Limited
- Droom Labs Inc

# GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term 'group companies' includes (i) such companies (other than promoter company and subsidiaries) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the relevant Offer Document, as covered under the applicable accounting standards, and (ii) any other companies considered material by the Board of Directors.

Accordingly, for (i) above, all such companies (other than the Corporate Promoter and Subsidiaries) with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, for the purposes of (ii) above, a company (other than the Corporate Promoter, Subsidiaries and the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Statements) shall be considered "material" and will be disclosed as a 'Group Company' in the Offer Documents, if:

(a) it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and

(b) the Company has entered into one or more transactions with such company during the last completed Fiscal or stub period, which individually or cumulatively in value exceeds 5% of the total consolidated revenue of the Company for that latest Fiscal or stub period as applicable as per the Restated Consolidated Financial Statements.

Based on the above, our Group Companies are set forth below:

1. Droom Tech Insurance Broking Private Limited
2. Pt. Droom Technology Indonesia
3. Droom Labs, Inc

**Details of our Group Companies**

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements (to the extent applicable), in respect of the Group Companies, for the last three years shall be hosted on the website of our Company, since our Group Companies do not have their own websites:

• reserves (excluding revaluation reserve);
• sales;
• profit/(loss) after tax;
• basic earnings per share;
• diluted earnings per share; and
• net asset value.

In addition, the details of our Group Companies are provided below:

***Droom Tech Insurance Broking Private Limited ("DTIBPL")***

***Registered Office***

The registered office of DTIBPL is situated at 90/31B, First Floor, Malviya Nagar, New Delhi – 110017, Delhi.

***Financial information***

In accordance with the SEBI ICDR Regulations, certain financial information in relation to DTIBPL for the previous three financial years, extracted from its audited financial statements (as applicable) is available at droom.in/ir.

***Pt. Droom Technology Indonesia ("Droom Indonesia")***

***Registered Office***

The registered office of Droom Indonesia is situated at Grand Slipi Building Tower Floor 9 Unit G, Jl. Letjend S Parman Kav 22-24, Kel, Kec., Administrative City of West Jakarta, DKI Jakarta Province

***Financial information***

Under the applicable laws of Indonesia, the financial statements of Droom Indonesia are not required to be audited. Additionally, Droom Indonesia has been formed on October 03, 2019, hence there are no figures for the said financial year. Accordingly, financial information for Droom Indonesia required under the SEBI ICDR Regulations for the financial years ended March 31, 2021 and March 31, 2020 as derived from the management certified financial statements is available at droom.in/ir.

***Droom Labs, Inc ("Droom USA")***

***Registered Office***

It has its registered office at 9450 SW Gemini Dr. NO.49577 Beaverton OR 97008-7105.

***Financial information***

In accordance with the SEBI ICDR Regulations, certain financial information in relation to Droom USA for the previous two financial years, extracted from its audited financial statements (as applicable) is available at droom.in/ir.

**Nature and extent of interest of Group Companies**

***In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

***In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

**Common pursuits among the Group Companies and our Company**

There are no common pursuits amongst our Group Companies and our Company.

**Related Business Transactions within our Group Companies and significance on the financial performance of our Company**

Except as disclosed in "*Related Party Transactions*" on page 191, there are no related business transactions with the Group Companies.

**Litigation**

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

**Business interest of Group Companies**

Except in the ordinary course of business and as stated in "*Related Party Transactions*" on page 191, none of our Group Companies have any business interest in our Company.

# RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals and for the three months ended June 30, 2021, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see "*Financial Information – Note 34 – Related Party Disclosures*" on page 235 of this Draft Red Herring Prospectus.

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## DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the, Articles of Association of our Company, the Companies Act and other applicable laws. In addition, declaration and payment of dividends would be subject to our Company's dividend policy, adopted by our Board on October 16, 2021 ("**Dividend Distribution Policy**").

The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, our Company's liquidity position and future cash flow needs, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, prevailing macroeconomic and business conditions, and overall financial position of our Company and other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 282.

We have not declared any dividends in the three Fiscals immediately preceding the filing of this Draft Red Herring Prospectus and up to the date of filing of this Draft Red Herring Prospectus.

## SECTION V: FINANCIAL INFORMATION

## FINANCIAL STATEMENTS

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**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors
**Droom Technology Limited (formerly known as Droom Technology Private Limited)**
90/31B, First Floor,
Malviya, Nagar,
New Delhi – 110017

Dear Sirs

**1.** We have examined the attached Restated Consolidated Financial Information of Droom Technology Limited (formerly known as Droom Technology Private Limited) (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and of its associate, comprising the Restated Consolidated Balance Sheet as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the three months period ended 30 June 2021, and for the years ended 31 March 2021, 31 March 2020, 31 March 2019, and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 10 November 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

(b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

(c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

**2.** The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 and 2.2 to the Restated Consolidated Financial Information.

The respective Board of Directors of the companies included in the Group responsibility includes for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. Therespective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 08 September 2021 in connection with the proposed IPO of equity shares of the Company;

   (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   (a) Audited special purpose consolidated financial statements of the Group as at and for the three months period ended 30 June 2021 prepared in accordance with recognition and measurement principles under Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 22 October 2021;

   (b) As at and for the years ended 31 March 2021 and 31 March 2020: From the audited Ind AS consolidated financial statements of the Group as at and for the year ended 31 March 2021, and 31 March 2020 being the comparative period for the year ended 31 March 2021, prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amdended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 22 October 2021. The audited consolidated financial statements of the Group as at and for the year ended 31 March 2020, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 ('Previous GAAP'), and the other relevant provisions of the Act, had been approved by the Board of Directors at their meeting held on 15 December 2020. The corresponding financial information for the year ended 31 March 2020 and the Balance Sheet as at 1 April 2019 ('transition date') has been restated in accordance with Ind AS in the consolidated financial statements for the year ended 31 March 2021 and the same has been considered while compiling these Restated Consolidated Financial Information; and

   (c) As at and for the year ended 31 March 2019: From the audited consolidated financial statements of the Group as at and for the year 31 March 2019, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act, which had been approved by the Board of Directors at their Board meeting held on 30 September 2019, and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on transition date.

**5.** For the purpose of our examination, we have relied on:

(a) Auditors' report issued by us dated 22 October 2021 on the special purpose consolidated financial statements of the Group as at and for the three months period ended 30 June 2021 as referred in Paragraph 4 (a) above;

(b) Auditors' report issued by us dated 22 October 2021 on the consolidated financial statements of the Group as at and for the year ended 31 March 2021 as referred in Paragraph 4 (b) above;

(c) Auditors' Report issued by, S R G A & Co., Chartered Accountants ('Previous Auditor'), dated 15 December 2020 on the consolidated financial statements of the Group as at and for the year ended 31 March 2020 as referred in Paragraph 4 (b) above. As informed to us by the management, the Previous Auditor does not hold a valid peer review certificate as issued by the 'Peer Review Board' of the Institute of Chartered Accountants of India and has therefore, expressed its inability to perform any work on the restated consolidated financial information for the aforesaid year. Accordingly, in accordance with ICDR Regulations and the Guidance Note, the Ind AS and restatement adjustments made to such financial statements to comply with Ind AS and the basis set out in Note 2.1 and 2.2 to the Restated Consolidated Financial Information, have been audited by us; and

(d) Auditors' Report issued by, B S R & Associates LLP, Chartered Accountants, dated 30 September 2019 on the consolidated financial statements of the Group as at and for the year ended 31 March 2019 as referred in Paragraph 4 (c) above. The Ind AS and restatement adjustments made to such financial statements to comply with Ind AS and the basis set out in Note 2.1 and 2.2 to the Restated Consolidated Financial Information, have been audited by us.

**6.** As indicated in our audit reports referred above, we did not audit the financial statements of the subsidiaries and an associate as mentioned in Annexure A(i), included in the Group for the three months period ended June 30, 2021 and year ended 31 March 2021, whose share of total assets, total revenues, net cash inflows / (outflows) and share of loss in the associate included in the consolidated financial statements, for the relevant period/year is tabulated below:

**(INR millions)**

| **Particulars** | **As at and for the three months period ended 30 June 2021** | **As at and for the year ended 31 March 2021** |
|---|---|---|
| *In respect of subsidiaries:* | | |
| Total assets | 597.44 | 485.72 |
| Total revenue | 5.62 | 41.67 |
| Net cash inflows / (outflows) | 0.35 | (62.59) |
| *In respect of associate:* | | |
| Group's share of net loss in the associate | (0.02) | (0.27) |

These financial statements have been audited by other auditor (as mentioned in Annexure A(ii)) and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements for the three months period ended 30 June 2021 and year ended 31 March 2021, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and an associate is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

7. The Auditors' report issued by B S R & Associates LLP dated 30 September 2019 on the consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2019 included the following other matter:

   We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 5.4 million as at 31 March 2019, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.3 million, for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 0.3 million for the year ended 31 March 2019, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the audit reports of the other auditors.

   Our opinion is not modified in respect of this matter.

8. The other auditor (M/s Khandelia & Sharma) of the subsidiaries and an associate as mentioned in Annexure A(iii), has examined the restated financial information for three months period ended 30 June 2021 and for the years ended 31 March 2021, 31 March 2020, 31 March 2019 and has confirmed that the restated financial information:

   (a) has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the three months period ended 30 June 2021;

   (b) has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 30 June 2021;

   (c) has been prepared after incorporating Ind AS adjustments for restatement purposes for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 30 June 2021;

   (d) does not contain any qualifications requiring adjustments; and

   (e) has been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports by other auditors andauditors' reports issued by the Previous Auditor / B S R & Associates LLP / other auditors, we report that the Restated Consolidated Financial Information:

   (a) have been prepared after incorporating adjustments for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 30 June 2021;

(b) have been prepared after incorporating adjustments for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 30 June 2021;

(c) have been prepared after incorporating IndAS adjustments for restatement purposes for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 30 June 2021;

(d) does not contain any qualifications requiring adjustments; and

(e) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

**10.** The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.

**11.** This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditor or B S R & Associates LLP or other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

**12.** We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**13.** Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi, and BSE Limited and National Stock Exchange of India Limited, as applicable, in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Anurag Maheshwary**
*Partner*
Membership No: 506533
UDIN: 21506533AAAADD2956

Place: Gurugram
Date: 10 November 2021

## Annexure A

**(i) List of subsidiaries and associate of Droom Technology Limited**

| Name of the Entity | Nature of relation |
|---|---|
| Xeraphin Finvest Private Limited | Subsidiary, effective 20 March 2020 |
| Droom Tech Logistics Private Limited | Subsidiary |
| Droon Finance Tech Private Limited | Subsidiary, application for strike-off filed on 26 March, 2021 |
| Droom Tech Insurance Private Limited | Associate |

**(ii) Details of subsidiaries and associate audited by other auditors for the respective period/years**

| Particulars | Three months period ended / Year ended | Name of the Auditor |
|---|---|---|
| Xeraphin Finvest Private Limited (Subsidiary) | 30 June 2021<br>31 March 2021 | M/s Khandelia & Sharma |
| | 31 March 2020 | S R G A & Co. |
| Droom Tech Logistics Private Limited (Subsidiary) | 30 June 2021<br>31 March 2021 | M/s Khandelia & Sharma |
| | 31 March 2020<br>31 March 2019 | S R G A & Co. |
| Droon Finance Tech Private Limited (Subsidiary) (Application for strike-off filed on 26 March 2021) | 31 March 2021 | S R G A & Co. |
| | 31 March 2020<br>31 March 2019 | S R G A & Co. |
| Droom Tech Insurance Private Limited (Associate) | 30 June 2021<br>31 March 2021 | M/s Khandelia & Sharma |
| | 31 March 2020<br>31 March 2019 | S R G A & Co. |

**(iii) Details of subsidiaries and associate for the period / years the restated financial information has been examined by other auditor**

| Particulars | Period / Year ended | Name of the Auditor |
|---|---|---|
| Droom Tech Logistics Private Limited (Subsidiary)<br><br>Droom Tech Insurance Private Limited (Associate) | 30 June 2021<br>31 March 2021<br>31 March 2020<br>31 March 2019 | M/s Khandelia & Sharma |

| Particulars | Period / Year ended | Name of the Auditor |
|---|---|---|
| Xeraphin Finvest Private Limited (Subsidiary effective 20 March 2020) | 30 June 2021<br>31 March 2021<br>31 March 2020 | M/s Khandelia & Sharma |

**Droom Technology Limited (formerly known as Droom Technology Private Limited)**
**Restated Consolidated Balance Sheet**
**All amounts in INR millions, except per share data or as otherwise stated**

| Particulars | Notes | As at 30 June 2021 (Restated) | As at 31 March 2021 (Restated) | As at 31 March 2020 (Restated) | As at 31 March 2019 (See * below) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 4(a) | 25.29 | 27.11 | 35.52 | 41.11 |
| Intangible assets | 4(b) | 5.20 | 5.85 | 6.50 | - |
| Right of use asset | 38 | 158.70 | 164.91 | 331.38 | 374.22 |
| Financial assets | | | | | |
| Investments | 5 | 3.16 | 3.18 | 3.45 | 6.45 |
| Loans | 6 | 55.68 | 58.93 | 120.35 | 134.17 |
| Other financial assets | 7 | 8.49 | 8.31 | 12.30 | 10.79 |
| Deferred tax assets (net) | 30 | - | - | - | - |
| Non-current tax assets (net) | 8 | 10.16 | 8.94 | 8.95 | 3.40 |
| Other assets | 13 | 0.23 | 0.25 | 0.09 | 3.43 |
| **Total non-current assets** | | **266.91** | **277.48** | **518.54** | **573.57** |
| | | | | | |
| **Current assets** | | | | | |
| Financial assets | | | | | |
| Investments | 9 | 731.42 | 585.61 | 538.80 | 243.98 |
| Loans | 6 | 62.65 | 63.63 | 98.39 | 88.50 |
| Trade receivables | 10 | 341.08 | 186.20 | 121.83 | 226.65 |
| Cash and cash equivalents | 11 | 257.55 | 9.59 | 68.23 | 109.66 |
| Other bank balance | 12 | 11.83 | 3.26 | 3.08 | 2.83 |
| Other financial assets | 7 | 12.82 | 5.04 | 12.96 | 27.99 |
| Other assets | 13 | 14.83 | 12.81 | 2.95 | 16.97 |
| Current tax assets, net | 8 | - | - | - | 0.14 |
| Inventories | | 4.97 | 4.76 | - | - |
| **Total current assets** | | **1,437.15** | **870.90** | **846.24** | **716.72** |
| **TOTAL ASSETS** | | **1,704.06** | **1,148.38** | **1,364.78** | **1,290.29** |
| | | | | | |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity share capital | 14 | 13.49 | 11.03 | 11.03 | 8.68 |
| Other equity | 15 | 790.41 | 178.15 | 581.61 | 732.37 |
| **Total equity** | | **803.90** | **189.18** | **592.64** | **741.05** |
| | | | | | |
| **Non-current liabilities** | | | | | |
| Financial liabilities | | | | | |
| Borrowings | 16(a) | 37.98 | 41.67 | 1.94 | 4.34 |
| Lease liabilities | 38 | 160.47 | 164.60 | 310.13 | 333.96 |
| Provisions | 21 | 15.81 | 14.80 | 12.73 | 10.37 |
| **Total non current liabilities** | | **214.26** | **221.07** | **324.80** | **348.67** |
| | | | | | |
| **Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| Borrowings | 16(b) | 263.81 | 476.82 | 313.65 | 1.87 |
| Lease liabilities | 38 | 25.89 | 25.55 | 45.18 | 40.09 |
| Trade payables | 17 | | | | |
| -Total outstanding dues of micro and small enterprises | | 1.08 | 1.88 | 0.86 | 0.01 |
| -Total outstanding dues of creditors other than micro and small enterprises | | 326.33 | 176.81 | 32.67 | 79.60 |
| Other financial liabilities | 18 | 52.94 | 45.64 | 45.93 | 68.89 |
| Other current liabilities | 19 | 13.92 | 7.86 | 6.26 | 7.59 |
| Contract liabilities | 20 | 0.15 | 1.88 | 1.41 | 2.38 |
| Provisions | 21 | 1.78 | 1.69 | 1.38 | 0.14 |
| **Total current liabilities** | | **685.90** | **738.13** | **447.34** | **200.57** |
| **Total liablities** | | **900.16** | **959.20** | **772.14** | **549.24** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,704.06** | **1,148.38** | **1,364.78** | **1,290.29** |

* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**Summary of significant accounting policies** 2
**The accompanying notes form an integral part of these restated consolidated financial statements**

**As per our report of even date attached**

**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration No: 101248W/W-100022**

**For and on behalf of the Board of Directors of Droom Technology Limited (formerly known as Droom Technology Private Limited)**

**Anurag Maheshwary**
**Partner**

**Membership No.: 506533**
**UDIN: 21506533AAAADD2956**

**Sandeep Aggarwal**
Whole Time Director
& CEO
DIN : 01078744

**Amarpreet Singh**
Whole Time Director
& VP Finance
DIN : 08193931

**Varun Sethi**
Chief Financial Officer

**Anil Dwivedi**
Company Secretary
ACS: 18893

**Place: Gurugram**
**Date: 10 November 2021**

**Droom Technology Limited (formerly known as Droom Technology Private Limited)**
**Restated Consolidated Statement of Profit and Loss**
**All amounts in INR millions, except per share data or as otherwise stated**

| Particulars | Notes | For the quarter ended 30 June 2021 (Restated) | For the year ended 31 March 2021 (Restated) | For the year ended 31 March 2020 (Restated) | For the year ended 31 March 2019 (See * below) |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue from operations | 22 | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |
| Other income | 23 | 19.70 | 101.91 | 91.96 | 101.43 |
| **Total income** | | **810.51** | **1,355.23** | **1,813.68** | **1,461.11** |
| | | | | | |
| **Expenses** | | | | | |
| Service cost | 24 | 0.51 | 21.09 | 29.41 | 24.54 |
| Change in inventories | | (0.21) | (4.76) | - | - |
| Employee benefits expense | 25 | 284.50 | 561.76 | 471.56 | 407.48 |
| Finance costs | 26 | 8.77 | 55.97 | 45.79 | 12.00 |
| Depreciation and amortisation expense | 27 | 9.04 | 44.80 | 54.72 | 24.38 |
| Other expenses | 28 | 833.73 | 1,364.80 | 2,107.49 | 2,046.06 |
| **Total expenses** | | **1,136.34** | **2,043.66** | **2,708.97** | **2,514.46** |
| | | | | | |
| **Loss before equity method investment activity and tax** | | **(325.83)** | **(688.43)** | **(895.29)** | **(1,053.35)** |
| | | | | | |
| Equity method investment activity, net | | 0.02 | 0.27 | 0.08 | 0.15 |
| | | | | | |
| **Loss before tax** | | **(325.85)** | **(688.70)** | **(895.37)** | **(1,053.50)** |
| | | | | | |
| **Tax expenses** | 30 | | | | |
| Current tax | | - | 0.13 | 0.67 | 0.20 |
| Deferred tax expense/ (credit) | | - | - | (0.01) | - |
| **Total tax expenses** | | - | **0.13** | **0.66** | **0.20** |
| **Loss for quarter/year** | | **(325.85)** | **(688.83)** | **(896.03)** | **(1,053.70)** |
| | | | | | |
| **Other comprehensive income/ (loss)** | | | | | |
| **Items that will not be reclassified subsequently to Statement of profit and loss** | | | | | |
| Remeasurement of net defined benefit liability | 35 | (0.39) | 0.85 | 1.89 | (0.07) |
| **Other comprehensive income / (loss) for the quarter/ year** | | **(0.39)** | **0.85** | **1.89** | **(0.07)** |
| | | | | | |
| **Total comprehensive loss for the quarter/ year** | | **(326.24)** | **(687.98)** | **(894.14)** | **(1,053.77)** |
| | | | | | |
| **Loss for the quarter/year attributable to** | | | | | |
| - Owners of the company | | (325.85) | (688.83) | (896.03) | (1,053.70) |
| | | **(325.85)** | **(688.83)** | **(896.03)** | **(1,053.70)** |
| | | | | | |
| **Other comprehensive income / (loss) for the quarter/ year attributable to** | | | | | |
| - Owners of the company | | (0.39) | 0.85 | 1.89 | (0.07) |
| | | **(0.39)** | **0.85** | **1.89** | **(0.07)** |
| | | | | | |
| **Earnings per equity share** | 29 | | | | |
| Loss per share (Basic and diluted) | | **(2.42)** | **(5.21)** | **(7.04)** | **(10.12)** |

* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**Summary of significant accounting policies** 2

**The accompanying notes form an integral part of these restated consolidated financial statements**

**As per our report of even date attached**

**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration No: 101248W/W-100022**

**For and on behalf of the Board of Directors of**
**Droom Technology Limited (formerly known as Droom Technology Private Limited)**

**Anurag Maheshwary**
**Partner**

**Membership No.: 506533**
**UDIN: 21506533AAAADD2956**

**Sandeep Aggarwal**
Whole Time Director & CEO
DIN : 01078744

**Amarpreet Singh**
Whole Time Director & VP Finance
DIN : 08193931

**Place: Gurugram**
**Date: 10 November 2021**

**Varun Sethi**
Chief Financial Officer

**Anil Dwivedi**
Company Secretary
ACS: 18893

**Droom Technology Limited (formerly known as Droom Technology Private Limited)**
**Restated Consolidated Cash Flow Statement**
**All amounts in INR millions, except per share data or as otherwise stated**

| Particulars | For the quarter ended 30 June 2021 (Restated) | For the year ended 31 March 2021 (Restated) | For the year ended 31 March 2020 (Restated) | For the year ended 31 March 2019 (See * below) |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| **Loss before tax** | **(325.85)** | **(688.70)** | **(895.37)** | **(1,053.50)** |
| **Adjustments for:** | | | | |
| Finance costs | 8.77 | 55.97 | 45.79 | 12.00 |
| Interest on income tax refund | - | (2.84) | - | - |
| Fair value gain/ (loss) on mutual funds | (8.70) | (46.82) | (12.14) | 21.11 |
| Profit on sale of mutual funds | (0.45) | - | (33.50) | (84.42) |
| Other interest income | (0.04) | (0.19) | (1.07) | (15.83) |
| Assets written off | 0.03 | - | 0.11 | - |
| Interest income on security deposits | (0.18) | (1.16) | (0.99) | (0.34) |
| Equity method investment activity, net | 0.02 | 0.27 | 0.08 | 0.15 |
| Stock based compensation expense | 196.25 | 284.52 | 50.33 | 70.20 |
| Foreign exchange gain | (0.35) | (2.45) | - | - |
| Gain on termination of lease contracts | - | (19.22) | - | - |
| Liabilities no longer required, written back | - | (0.06) | (2.20) | (0.83) |
| Net loss/(profit) on disposal of property, plant and equipment | - | 0.02 | (0.02) | - |
| Loans written off | 0.50 | 5.74 | - | 0.78 |
| Provision for expected credit losses on loans | 0.65 | 60.39 | 8.58 | 86.88 |
| Provision for expected credit losses on trade receivables | 5.61 | 3.20 | 16.50 | 3.17 |
| Depreciation and amortisation expense | 9.04 | 44.80 | 54.72 | 24.38 |
| | **(114.70)** | **(306.53)** | **(769.18)** | **(936.25)** |
| **Adjustment for change in working capital:** | | | | |
| Increase in inventories | (0.21) | (4.76) | - | - |
| Decrease/ (Increase) in trade receivables | (160.14) | (65.12) | 88.32 | (137.19) |
| Decrease/ (Increase) in loans | 3.11 | 30.24 | (4.14) | (309.54) |
| Decrease/ (Increase) in other financial assets | (7.80) | 17.35 | 13.50 | (28.12) |
| Decrease/ (increase) in other assets | (1.99) | (10.11) | 17.36 | (14.98) |
| (Decrease)/Increase in trade payables | 148.80 | 145.25 | (43.88) | 23.60 |
| (Decrease)/Increase in other financial liabilities | 7.30 | (0.29) | (22.96) | (25.94) |
| (Decrease)/Increase in contract liabilities | (1.73) | 0.48 | (0.97) | (2.20) |
| (Decrease)/Increase in other current liabilities | 6.06 | 1.61 | (1.33) | (2.44) |
| Increase in provisions | 0.71 | 3.80 | 5.03 | 4.62 |
| | **(120.59)** | **(188.08)** | **(718.25)** | **(1,428.44)** |
| Income tax paid (net of refunds) | (1.22) | 2.11 | (5.63) | (2.99) |
| **Net cash used in operating activities** | **(121.81)** | **(185.97)** | **(723.88)** | **(1,431.43)** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of bank deposits | (8.54) | - | (5.33) | (0.17) |
| Interest received | - | - | 0.80 | 14.70 |
| Proceed from bank deposit maturity | - | - | 5.30 | |
| Purchase of property, plant and equipment | (0.36) | (1.82) | (12.42) | (27.31) |
| Proceeds from sale of property, plant and equipment | - | 0.10 | 0.09 | 0.83 |
| Purchase of investments | (427.50) | - | (398.12) | (4,352.66) |
| Proceeds from sale of investments | 290.84 | - | 151.84 | 5,032.91 |
| **Net cash from/(used in) investing activities** | **(145.56)** | **(1.72)** | **(257.84)** | **668.30** |
| **C. Cash flow from financing activities** | | | | |
| Interest paid | (4.72) | (32.53) | (14.31) | (0.03) |
| Proceeds from issuance of shares | 744.57 | - | 695.40 | 812.17 |
| Payments of lease liabilities | (7.85) | (41.31) | (50.21) | (15.84) |
| Proceeds from overdraft, net | (216.15) | 161.53 | 305.52 | - |
| Repayment of borrowings | (0.52) | (6.24) | (1.87) | - |
| Proceeds from term loan | - | 47.60 | 5.76 | 6.21 |
| **Net cash flow from financing activities** | **515.33** | **129.05** | **940.29** | **802.51** |
| **Net increase/ (decrease) in cash and cash equivalents** | **247.96** | **(58.64)** | **(41.43)** | **39.38** |
| Cash and cash equivalents at the beginning of the year | 9.59 | 68.23 | 109.66 | 70.28 |
| **Cash and cash equivalents at the end of the year** | **257.55** | **9.59** | **68.23** | **109.66** |
| **Cash and cash equivalents includes:** | | | | |
| Cash in hand | 0.88 | 0.43 | 1.10 | 0.07 |
| Bank with bank on current accounts | 256.67 | 9.16 | 26.96 | 67.69 |
| Bank deposits (with original maturity of less than 3 months) | - | - | 40.17 | 41.90 |
| | **257.55** | **9.59** | **68.23** | **109.66** |

* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**The accompanying notes form an integral part of these financial statements**

**As per our report of even date attached**

**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration No: 101248W/W-100022**

**Anurag Maheshwary**
**Partner**

**Membership No.: 506533**
**UDIN: 21506533AAAADD2956**

**Place: Gurugram**
**Date: 10 November 2021**

**For and on behalf of the Board of Directors of**
**Droom Technology Limited (formerly known as Droom Technology Private Limited)**

**Sandeep Aggarwal**
Whole Time Director &
CEO
DIN : 01078744

**Amarpreet Singh**
Whole Time Director &
VP Finance
DIN : 08193931

**Varun Sethi**
Chief Financial Officer

**Anil Dwivedi**
Company Secretary
ACS: 18893

**Droom Technology Limited (formerly known as Droom Technology Private Limited)**
**Restated Consolidated Statement of changes in Equity**
**All amounts in INR millions, except per share data or as otherwise stated**

**A. Equity share capital (refer note 14)**

| Equity share of INR 10 each issued, subscribed and fully paid up | Amount |
|---|---|
| **As at 1 April 2018 (See * below)** | **5.88** |
| Add: share capital issued during the year | 2.80 |
| **Balance as at 31 March 2019 (See * below)** | **8.68** |
| **As at 1 April 2019** | **8.68** |
| Add: share capital issued during the year | 2.35 |
| **As at 31 March 2020** | **11.03** |
| **As at 1 April 2020** | **11.03** |
| Add: share capital issued during the year | - |
| **As at 31 March 2021** | **11.03** |
| **As at 1 April 2021** | **11.03** |
| Add: share capital issued during the year | 2.46 |
| **As at 30 June 2021** | **13.49** |

**B. Other equity (refer note 15)**

| Particulars | Accumulated deficit | Securities premium | Employee stock option reserve | Other comprehensive income | Total |
|---|---|---|---|---|---|
| **Balance as at 1 April 2018 (See * below)** | **(1,377.21)** | **2,249.12** | **35.00** | **(0.33)** | **906.58** |
| Loss for the year (See * below) | (1,053.70) | - | - | - | (1,053.70) |
| Other comprehensive income/(loss) for the year | - | - | - | (0.07) | (0.07) |
| Additions during the year | - | 809.36 | 70.20 | - | 879.56 |
| **Balance as at 31 March 2019 (See * below)** | **(2,430.91)** | **3,058.48** | **105.20** | **(0.40)** | **732.37** |
| | | | | | |
| **Balance as at 1 April 2019** | **(2,430.91)** | **3,058.48** | **105.20** | **(0.40)** | **732.37** |
| Loss for the year | (896.03) | - | - | - | (896.03) |
| Other comprehensive income/(loss) for the year | - | - | - | 1.89 | 1.89 |
| Additions during the year | - | 693.05 | 50.33 | - | 743.38 |
| **Balance as at 31 March 2020** | **(3,326.94)** | **3,751.53** | **155.53** | **1.49** | **581.61** |
| | | | | | |
| **Balance as at 1 April 2020** | **(3,326.94)** | **3,751.53** | **155.53** | **1.49** | **581.61** |
| Loss for the year | (688.83) | - | - | - | (688.83) |
| Other comprehensive income/(loss) for the year | - | - | - | 0.85 | 0.85 |
| Additions during the year | - | - | 284.52 | - | 284.52 |
| **Balance as at 31 March 2021** | **(4,015.77)** | **3,751.53** | **440.05** | **2.34** | **178.15** |
| | | | | | |
| **Balance as at 1 April 2021** | **(4,015.77)** | **3,751.53** | **440.05** | **2.34** | **178.15** |
| Loss the year | (325.85) | - | - | - | (325.85) |
| Other comprehensive income/(loss) for the year | - | - | - | (0.39) | (0.39) |
| Additions during the year | - | 742.24 | 196.26 | - | 938.50 |
| **Balance as at 30 June 2021** | **(4,341.62)** | **4,493.77** | **636.31** | **1.95** | **790.41** |

* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**The accompanying notes form an integral part of these financial statements.**

**As per our report of even date attached**

**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration No: 101248W/W-100022**

**For and on behalf of the Board of Directors of**
**Droom Technology Limited (formerly known as Droom Technology Private Limited)**

**Anurag Maheshwary**
**Partner**

**Membership No.: 506533**
**UDIN: 21506533AAAADD2956**

**Sandeep Aggarwal**
Whole Time
Director & CEO
DIN : 01078744

**Amarpreet Singh**
Whole Time Director &
VP Finance
DIN : 08193931

**Place: Gurugram**
**Date: 10 November 2021**

**Varun Sethi**
Chief Financial Officer

**Anil Dwivedi**
Company Secretary
ACS: 18893

**Droom Technology Limited (formerly known as Droom Technology Limited) Notes to the restated consolidated financial information**
**Amounts in INR millions, unless otherwise stated**

## 1. Corporate information

These restated consolidated financial information comprise the financial statements of Droom Technology Limited ("the Holding Company", "Company") and its subsidiary and associates (collectively known as "the Group"). The Holding Company was incorporated on 9 September 2014 under the Companies Act, 1956. The corporate office of the Holding Company is situated in Gurugram, Haryana. The principal place of business of the Holding Company is in India.

The Company's online marketplace connects sellers and buyers. The company operates Droom 'Marketplace' that enables sellers to create an online presence to reach buyers directly and expand their reach. The Company is transforming the used vehicle sales experience by giving consumers what they want – a wide selection range and transparent pricing. Using the platform, buyers can complete all phases of a used vehicle purchase transaction including financing their purchase, delivery, and purchasing auto ancillary services.

Sellers on the Droom platform can deliver the vehicles by inviting customers to their location, getting them delivered on their own, or using the company's last-mile service – Droom Velocity. As part of the Marketplace, the Company also offers pre-buying research and tools (Droom Discovery); an algorithmic engine for used vehicle pricing (Orange Book Value); a vehicle inspection service (ECO); a repository of vehicle history, covering up to 50 different history records (History); and helps customers avail vehicle loans & insurance (Droom Credit).

These restated consolidated financial information were authorized for issue in accordance with a resolution passed by board of directors on 10 November 2021.

## 2. Significant accounting policies

### 2.1 Statement of compliance

The restated consolidated financial information of the Group comprise of the restated consolidated balance sheet as at June 30, 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the three months ended 30 June 2021, year ended 31 March 2021, 31 March 2020 and 31 March 2019 and the summary of significant accounting policies and explanatory notes (collectively, the 'restated consolidated financial information').

These statements have been prepared by the management for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') for the purpose of inclusion in the Offer Document') prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended; and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The restated consolidated financial information has been compiled by the Group from:

Audited special purpose interim consolidated financial statements of the Group as at and for the three months period ended 30 June 2021 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India.

Audited consolidated financial statements of the Group as at and for the year ended 31 March 2021 and 31 March 2020 (being the comparative period for the year ended 31 March 2021) prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.The audited consolidated financial statements of the Group as at and for the year ended 31 March 2020 were prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 ('Previous GAAP'), and the other relevant provisions of the Act.

In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is 1 April 2019. In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses, the consolidated financial information for the year ended 31 March 2019 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. April 1, 2019) following accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS ('Proforma Consolidated Ind AS financial information').

The restated consolidated financial Information is presented in Indian Rupees (INR) millions, except where otherwise indicated.

### 2.2 Basis of preparation and presentation

The restated consolidated financial information have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the head of finance.

Significant valuation issues are reported to the board of directors.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and

- Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

All amounts disclosed in the restated consolidated financial information and notes have been rounded off to the nearest INR millions as per the requirement of Schedule III, unless otherwise stated.

The preparation of these restated consolidated financial information requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the restated consolidated financial information, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

**2.3 Basis of consolidation**

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The restated consolidated financial information includes the financial information of Droom Technology Limited and its subsidiaries and associates as set out below:

| | | %age Holding | | | |
|---|---|---|---|---|---|
| **Name of the Company** | **Country of incorporation** | **As at 30 June 2021** | **As at 31 March 2021** | **As at 31 March 2020** | **As at 31 March 2019** |
| Droom Tech Insurance Broking Private Limited | India | 49% | 49% | 49% | 49% |
| Droom Finance Tech Private Limited (Refer Note 1) | India | - | - | 100% | 100% |
| Droom Tech Logistics Private Limited | India | 100% | 100% | 100% | 100% |
| Xerafin Finvest Private Limited | India | 100% | 100% | 100% | 10.77% |

Note 1: The Group has applied for striking off of Droom Finance Tech Private Limited on 26 March 2021.

**2.4 Summary of significant accounting policies**

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied to all the periods presented in these restated consolidated financial information.

**a) Current versus non-current classification**

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is

classified 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.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**b) Revenue recognition**

The Group derives revenue primarily from following services:

- Sale of services comprising service fees such as selling service fees and Pro-seller subscription fees
- Advertisement and Marketing Services
- Technology Support Services

The Group recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied upon transfer of control of service to a customer.

Transaction price is the amount of consideration to which the Group is entitled in exchange for transferring good or service to a customer excluding taxes or duties collected on behalf of Government. An entity estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

**Service Fees**

***Selling service fees***

The Group facilitates transaction for sale of vehicles and related services between buyers (end- users) and sellers on its online marketplace platform. The Group enters into agreement with sellers to use the platform for listing and selling their vehicles. The agreement between the Group and Sellers defines the selling service fee that Group charges from its sellers based on category of such transaction. Buyers access the platform for free and the Group has no performance obligation to buyers. As a result, buyers are not the Group's customer. The Group's services include facilitating completion of e-commerce orders and related activities, including facilitating payments from buyers and related services. In these types of contracts, there is only one performance obligation to sellers i.e., customers, which is to facilitate sale of underlying vehicle between buyers and sellers on the Group's online marketplace platform. Therefore, selling service fees is recognized as revenue when transactions are completed on a marketplace platform, satisfying Group's performance obligation.

***Pro seller subscription services***

Pro seller subscription service revenue from sellers includes fees associated with pro-seller subscription services provided by the Group. Pro-seller subscription services provide Group's customers with access to personalized account management, that represents a single stand-ready obligation. Subscriptions are paid for at the time of or in advance of delivering the services. Revenue from such arrangements is recognized over the subscription period.

**Advertisement and Marketing Services**

Revenue from advertisement and marketing services is derived from sponsorship fees received in respect to various events by the Group and revenue for such events is recognized on the completion of respective events.

Additionally, Group provides advertisement revenue from the sale of online advertisements which are based on "impressions", "clicks" and "leads" delivered to advertisers. The revenue for such transactions is recognized as the leads, impressions, or clicks are delivered to advertisers.

**Technology Support Services**

The Group recognizes revenue for technology support services such as design, development, and set-up of technology platform in accordance with agreements entered with customer on a straight- line basis over the contractual term.

**Unbilled Revenue**

The Company accrues for unbilled revenue for the services rendered between the last billing cycle and the balance sheet date. Company has established allowance for credit loss with specific risk rate on unbilled receivables

**c) Promotion and Incentive Expenses**

The Group offers incentives and promotions to end-users to encourage use of the Group's online marketplace platform. These are offered in various forms such as discount coupons and incentives on Group's online marketplace platform on time-to-time basis. The Group records the cost of these incentives and promotions as promotion and incentive expenses in 'Other expenses" at the time they are redeemed by the end-user.

**d) Other Income**

***Interest income on loans***

Interest income from loans is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

***Investment in Mutual funds***

The Group makes investments in short-term, high quality mutual funds. These investments have been pledged against the short-term borrowings availed by the Group, to the extent of outstanding amount of such borrowings. Profit and loss on sale and fair value gain and losses on such investments are included in "Other income,"

**e) Leases**

The Group's leased assets primarily consist of leases for office space. The Group 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 in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes periods covered by extension options when it is reasonably certain that they will be exercised and includes periods covered by termination options when it is reasonably certain that they will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflect that the Group exercise a purchase option. The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on “Impairment of non- financial assets”.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group’s incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if the Group changes its assessment if whether it will exercise an extension or a termination or a purchase option.

The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss.

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

The Group has applied a practical expedient wherein the Group has ignored the requirement to separate non-lease components (such as maintenance services) from the lease components. Instead, the Group has accounted for the entire contract as a single lease contract.

**f) Cash and cash equivalents**

Cash comprises cash in hand, balances with payment gateways and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**g) Foreign currency translations and translations**

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Group’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

**Treatment of exchange differences**

Exchange differences on monetary items are recognized in the Statement of profit or loss in the period in which they arise.

**h) Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity, and other incentives to employees.

**Post-employment and termination benefit costs**

Payments to defined contribution benefit plans (i.e., provident fund and employee state insurance scheme) are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprises actuarial gains and losses which is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss. Past service cost is recognized in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income; and
- remeasurement

**Short-term and other long-term employee benefits**

A liability is recognized for short-term employee benefits accruing to employees in respect of salaries and performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**i) Share-based compensation**

The employees of the Group have been granted stock options by Droom Pte. Ltd., Singapore (“the ultimate holding company”). The obligation of settlement of awards to the employees is with the ultimate holding company and the Company does not have any obligation to payback the amount accrued for these awards. As per Ind AS 102, the awards given to the employees of the Company with these terms are classified as equity settled awards by the Company. The Group recognizes and measures compensation expense for all share-based awards based on the grant date fair value as per Ind AS 102 on Share Based Payments. The grant date fair value is determined under the option- pricing model (Black-Scholes). Company follows graded vesting schedule for recognition of cost over the vesting term of the awards. The Group recognizes compensation expense for share based awards net of estimated forfeitures. Share-based compensation recognized in the Statement of Profit and Loss is based on awards ultimately expected to vest. As a result, the expense is reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

**j) Taxation**

Income tax expense comprises current tax and deferred tax.

**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the asset and liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax losses and unused tax credits. Deferred tax assets are recognized 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 tax assets is reviewed at each reporting 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 tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items of recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and deferred taxes relate to the same taxable entity and the same taxation authority.

The company has not recognized any Deferred tax assets on the unused tax losses due to lack of reasonable certainty to earn sufficient profits in future against which these tax losses can be utilized.

**k) Property, plant and equipment**

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates then separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

**Depreciation and amortization**

Depreciation is provided on the straight-line method. The estimated useful life of each asset as prescribed under Schedule II of the Companies Act, 2013 and based on technical assessment of

internal experts (after considering the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence and understanding of past practices and general industry experience) are as depicted below:

| Asset category | Estimated useful lives |
|---|---|
| Computers | 3 years |
| Furniture & fixtures | 10 years |
| Office equipment | 5 years |
| Server and Network equipment | 6 years |
| Leasehold improvements | 3 years |

Depreciation on addition to the property, plant and equipment is provided on pro rata basis from the date the assets are acquired/ installed. Depreciation on sale/ deduction of plant, property and equipment assets is provided for upto the date of sale and deduction.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit orloss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as of 1 April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**l) Intangible assets**

During the year ended 31 March 2020, the Company acquired a regulatory license for disbursement of loans to buyers and dealers via an asset acquisition transaction. This license is amortized over its estimated useful life of 10 years using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

**m) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

**Financial assets**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**Classification of financial instruments**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial asset at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following conditions are subsequently measured at amortized cost (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments financial assets that meet the amortized cost criteria or the FVTOCI criteria may irrevocably be but are designated as at FVTPL are measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Subsequent measurement of financial instruments Financial assets at FVTPL**
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**Financial assets at amortized cost**
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Impairment of financial assets**
The Group applies the expected credit loss model for recognizing impairment loss on financial assets (including interest accrued and due on loans) measured at amortized cost, debt instruments, trade receivables, other contractual rights to receive cash or other financial asset and the same is recorded in consolidated statement of profit and loss. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**Financial liabilities and equity instruments Classification as debt or equity**
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

**Financial liabilities**
A financial liability is any liability that is:
- a contractual obligation:
    - to deliver cash or another financial asset to another entity; or
    - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
    - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
    - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL**
Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

**Financial liabilities subsequently measured at amortized cost**
Other financial liabilities are subsequently measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of a qualifying asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition of financial liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**n) Provisions and contingent liabilities**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the amount recognized as a provision is the best estimate of the consideration expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

## Contingent liabilities

A contingent liability is 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the restated consolidated financial information.

**o) Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units. Each cash-generating unit represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or cash-generating units. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit orloss.

**p) Segment reporting**

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision market ("CODM") in deciding allocation of resources and in assessing performance. The Group's Global CEO is its CODM. The Group's CODM reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources, and evaluating financial performance. As such, the Group has determined that it operates in one operating and reportable segment. Assets and liabilities are used interchangeably between segments, and these have not been allocated to the reportable segments.

**q) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares except where the results are anti- dilutive.

**2.5 Recent pronouncements**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. There are no such recently issued standards or amendments to the existing standards for which the impact on the restated consolidated financial information is required to be disclosed.

**3. Significant accounting judgments, estimates and assumptions**

The preparation of restated consolidated financial information in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, 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. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Judgements**

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

**a) Revenue from contracts with customers**

Judgment is required in determining whether the Group is the principal or the agent in transactions between sellers and buyers. The Buyer accesses the Group's platform to identify Sellers and place orders for Sellers' products. The Group concluded it does not control the goods or services provided by sellers to buyer as:

- the Group does not pre-purchase or otherwise obtain control of the sellers' vehicles and related services prior to its transfer to the buyer.

- the Group does not direct sellers to sell their vehicles and related services on the Group's behalf, and sellers have the sole ability to decline a transaction and
- the Group does not have inventory risk related to sellers' vehicles and related services

**b) Determining lease term**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has some property lease arrangements with its vendors that include option to terminate the contract by either party at any time by giving advance notice or by the Group as per its discretion. The Group applied judgment in evaluating whether it is reasonably certain to exercise the termination option. It considered all the factors that create economic incentive for the Group to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts

of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the restated consolidated financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**a) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilized before they expire. Significant management assumptions are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**b) Defined benefit plans (gratuity benefit)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate are current best estimates of the expected mortality rates of plan members, both during and after employment. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**c) Useful life of assets of Property, Plant and Equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

**d) Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating).

**e) Calculation of loss allowance**

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**f) Fair value of equity-settled share-based transaction**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date using Black-Scholes model. The assumptions for estimating fair value for share-based payment transactions are disclosed in Note 39.

**All amounts in INR millions, except per share data or as otherwise stated**

**4(a). Property, plant and equipment**

| Particulars | Office Equipment | Computers | Fixtures and Fittings | Leasehold improvement | Motor Vehicle | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Deemed cost as at 1 April 2018*** | **4.23** | **11.37** | **7.39** | **-** | **-** | **22.99** |
| Additions | 4.81 | 10.75 | 0.25 | 0.50 | 11.00 | 27.31 |
| Disposals | (0.73) | (0.10) | - | - | - | (0.83) |
| **As at 31 March 2019** | **8.31** | **22.02** | **7.64** | **0.50** | **11.00** | **49.47** |
| | | | | | | |
| **Deemed Cost As at 1 April 2019*** | **6.85** | **16.11** | **6.75** | **0.50** | **10.90** | **41.11** |
| Additions | 1.23 | 4.51 | 0.13 | - | 0.05 | 5.92 |
| Disposals | (0.05) | (0.22) | - | - | - | (0.27) |
| **As at 31 March 2020** | **8.03** | **20.40** | **6.88** | **0.50** | **10.95** | **46.76** |
| | | | | | | |
| **As at 1 April 2020** | **8.03** | **20.40** | **6.88** | **0.50** | **10.95** | **46.76** |
| Additions | 1.23 | 0.36 | 0.08 | - | 0.15 | 1.82 |
| Disposals | (0.10) | (0.03) | - | - | - | (0.13) |
| **As at 31 March 2021** | **9.16** | **20.73** | **6.96** | **0.50** | **11.10** | **48.45** |
| | | | | | | |
| **As at 1 April 2021** | **9.16** | **20.73** | **6.96** | **0.50** | **11.10** | **48.45** |
| Additions | 0.29 | 0.13 | - | - | - | 0.42 |
| Disposals | - | (0.07) | - | - | - | (0.07) |
| **As at 30 June 2021** | **9.45** | **20.79** | **6.96** | **0.50** | **11.10** | **48.80** |
| | | | | | | |
| **Accumulated depreciation** | | | | | | |
| **As at 1 April 2018** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | 1.47 | 5.90 | 0.89 | 0.00 | 0.11 | 8.37 |
| Disposals | - | - | - | - | - | - |
| **As at 31 March 2019** | **1.47** | **5.90** | **0.89** | **0.00** | **0.11** | **8.37** |
| | | | | | | |
| **As at 1 April 2019** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | 2.08 | 6.87 | 0.92 | 0.16 | 1.30 | 11.33 |
| Disposals | - | (0.09) | - | - | - | (0.09) |
| **As at 31 March 2020** | **2.08** | **6.78** | **0.92** | **0.16** | **1.30** | **11.24** |
| | | | | | | |
| **As at 1 April 2020** | **2.08** | **6.78** | **0.92** | **0.16** | **1.30** | **11.24** |
| Charge for the year | 2.09 | 5.60 | 0.93 | 0.16 | 1.34 | 10.12 |
| Disposals | (0.02) | - | - | - | - | (0.02) |
| **As at 31 March 2021** | **4.15** | **12.38** | **1.85** | **0.32** | **2.64** | **21.34** |
| | | | | | | |
| **As at 1 April 2021** | **4.15** | **12.38** | **1.85** | **0.32** | **2.64** | **21.34** |
| Additions | 0.44 | 1.15 | 0.23 | 0.04 | 0.34 | 2.20 |
| Disposals | - | (0.03) | - | - | - | (0.03) |
| **As at 30 June 2021** | **4.59** | **13.50** | **2.08** | **0.36** | **2.98** | **23.51** |
| | | | | | | |
| **Net carrying value** | | | | | | |
| **As at 1 April 2019** | **6.85** | **16.11** | **6.75** | **0.50** | **10.90** | **41.11** |
| **As at 31 March 2020** | **5.95** | **13.62** | **5.96** | **0.34** | **9.65** | **35.52** |
| **As at 31 March 2021** | **5.01** | **8.35** | **5.11** | **0.18** | **8.46** | **27.11** |
| **As at 30 June 2021** | **4.86** | **7.29** | **4.88** | **0.14** | **8.12** | **25.29** |

* The Company has elected Ind AS 101 exemption to continue with the carrying value under Previous GAAP for all of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

**All amounts in INR millions, except per share data or as otherwise stated**

**4(b). Intangible assets**

| Particulars | License | Total |
|---|---|---|
| **Cost** | | |
| **As at 1 April 2018** | **-** | **-** |
| Additions | - | - |
| **As at 31 March 2019** | **-** | **-** |
| **As at 1 April 2019** | **-** | **-** |
| Additions (refer note 42) | 6.50 | 6.50 |
| **As at 31 March 2020** | **6.50** | **6.50** |
| **As at April 1, 2020** | **6.50** | **6.50** |
| Additions | - | - |
| **As at 31 March 2021** | **6.50** | **6.50** |
| **As at April 1, 2021** | **6.50** | **6.50** |
| Additions | **-** | **-** |
| **As at 30 June 2021** | **6.50** | **6.50** |
| **Accumulated depreciation** | | |
| **As at 1 April 2018** | **-** | **-** |
| **Amortization for the year** | **-** | **-** |
| **As at 31 March 2019** | **-** | **-** |
| **As at 1 April 2019** | **-** | **-** |
| Amortization for the year | - | - |
| **As at 31 March 2020** | **-** | **-** |
| **As at 1 April 2020** | **-** | **-** |
| Amortization for the year | 0.65 | 0.65 |
| **As at 31 March 2021** | **0.65** | **0.65** |
| **As at 1 April 2021** | **0.65** | **0.65** |
| Amortization for the year | 0.65 | **0.65** |
| **As at 30 June 2021** | **1.30** | **1.30** |
| **Net carrying value** | | |
| **As at 1 April 2019** | **-** | **-** |
| **As at 31 March 2020** | **6.50** | **6.50** |
| **As at 31 March 2021** | **5.85** | **5.85** |
| **As at 30 June 2021** | **5.20** | **5.20** |

**All amounts in INR millions, except per share data or as otherwise stated**

**5. Investments**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | Number of shares (in absolute) | Amount | Number of shares (in absolute) | Amount | Number of shares (in absolute) | Amount | Number of shares (in absolute) | Amount |
| **Non- Current** | | | | | | | | |
| **Unquoted investments (fully paid)** | | | | | | | | |
| **Investments in Associates** | | | | | | | | |
| Droom Tech Insurance Broking Private Limited (fully paid up shares of Rs. 10 each) | 3,67,500 | 3.68 | 3,67,500 | 3.68 | 3,67,500 | 3.68 | 49,000 | 0.49 |
| Less: Share of loss from equity method investment | | (0.52) | - | (0.50) | - | (0.23) | - | (0.16) |
| Xerafin Finvest Private Limited* (fully paid up shares of Rs. 10 each) | - | - | - | - | - | - | 1,23,899 | 6.11 |
| Add: Share of profit from equity method investment | - | - | - | - | - | - | - | 0.01 |
| | **3,67,500** | **3.16** | **3,67,500** | **3.18** | **3,67,500** | **3.45** | **1,72,899** | **6.45** |

* The Company held aggregate amount of unquoted investment of 10.77% equity holding in Xerafin Finvest Private Limited till 31 March 2019. During the year ended 31 March 2020, the Company acquired the remaining 89.23% of equity shareholding in Xerafin Finvest Private Limited. Thereafter, Xerafin Finvest Private Limited was consolidated in these financial statements (refer note 42).

**6. Loans**

| | Non-Current | | | | Current | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
| Secured, considered good | 26.34 | 32.14 | 76.75 | 46.59 | 22.47 | 25.67 | 52.40 | 27.42 |
| Unsecured, considered good | - | - | - | - | 7.60 | 5.61 | 1.43 | 26.16 |
| Secured - credit impaired | 97.96 | 97.96 | 96.58 | 139.93 | 72.18 | 70.60 | 59.62 | 63.74 |
| Unsecured - credit impaired | 5.03 | 3.76 | - | - | 43.26 | 42.68 | 28.25 | 5.71 |
| Less: Provision for expected credit losses | (73.65) | (74.93) | (52.98) | (52.35) | (82.86) | (80.93) | (43.31) | (34.53) |
| | **55.68** | **58.93** | **120.35** | **134.17** | **62.65** | **63.63** | **98.39** | **88.50** |

**7. Other financial assets**

| | Non-Current | | | | Current | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | 8.49 | 8.31 | 12.30 | 10.79 | 1.28 | 1.28 | 1.21 | 1.20 |
| Advance to employees | - | - | - | - | 0.02 | 0.02 | - | - |
| Intercompany receivables (refer note 34) | - | - | - | - | 1.38 | 1.37 | 0.34 | 0.33 |
| Loans to employees | - | - | - | - | 0.92 | 0.50 | 3.29 | 22.03 |
| Interest accrued | - | - | - | - | 0.43 | 0.46 | 0.66 | 1.17 |
| Other receivables | - | - | - | - | 8.61 | 1.22 | 3.33 | 3.14 |
| Other loans | - | - | - | - | - | - | 4.04 | - |
| Others | - | - | - | - | 0.18 | 0.19 | 0.09 | 0.12 |
| | **8.49** | **8.31** | **12.30** | **10.79** | **12.82** | **5.04** | **12.96** | **27.99** |

**8. Tax assets (net)**

| | Non-Current | | | | Current | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
| Advance tax (net of provision for tax nil ) | 10.16 | 8.94 | 8.95 | 3.40 | - | - | - | 0.14 |
| | **10.16** | **8.94** | **8.95** | **3.40** | **-** | **-** | **-** | **0.14** |

**9. Investments**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | Number of units (in absolute) | Amount | Number of units (in absolute) | Amount | Number of units (in absolute) | Amount | Number of units (in absolute) | Amount |
| **Current** | | | | | | | | |
| **Quoted Investments** | | | | | | | | |
| **Investments in mutual funds at FVTPL *** | | | | | | | | |
| HDFC Short-term Debt fund (Regular plan Growth option) | 57,78,600 | 144.08 | 57,78,600 | 141.96 | 57,78,600 | 130.83 | - | - |
| ICICI Prudential (Short-term Fund Growth Option) | 1,07,18,349 | 498.31 | 96,39,771 | 442.11 | 96,39,771 | 406.50 | 32,52,324 | 125.63 |
| Kotak Saving Fund (Regular plan Growth) | 45,761 | 1.56 | 45,761 | 1.54 | 45,761 | 1.47 | - | - |
| HDFC low duration fund (Regular plan Growth option) | 10,94,339 | 49.84 | - | - | - | - | - | - |
| SBI magnum low duration | 13,561 | 37.63 | - | - | - | - | - | - |
| Aditya Birla SL Short-term Opportunities | - | - | - | - | - | - | 10,58,623 | 32.73 |
| ICICI Prudential Credit Risk Growth | - | - | - | - | - | - | 43,09,300 | 85.62 |
| | **1,76,50,610** | **731.42** | **1,54,64,132** | **585.61** | **1,54,64,132** | **538.80** | **86,20,247** | **243.98** |
| **Aggregate amount of quoted investments** | | **731.42** | | **585.61** | | **538.80** | | **243.98** |
| **Aggregate cost of quoted investments** | | **654.30** | | **517.19** | | **517.19** | | **234.50** |

*The portion of these investments are pledged against the short term fund based facilities availed by the Company (Refer note 16).

**All amounts in INR millions, except per share data or as otherwise stated**

**10. Trade receivables**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Unsecured, considered good | 69.49 | 45.68 | 136.15 | 227.95 |
| Unsecured - credit impaired | 24.40 | 24.28 | 10.47 | 6.99 |
| Unbilled revenue | 280.79 | 144.23 | - | - |
| Less: Allowance for expected credit losses | (33.60) | (27.99) | (24.79) | (8.29) |
| | **341.08** | **186.20** | **121.83** | **226.65** |

**Trade receivables ageing schedule as at 30 June 2021**

| | < 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade Receivables – considered good | 350.30 | - | - | - | - | 350.29 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 2.41 | 11.49 | 1.72 | 8.77 | 24.39 |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| | **350.30** | **2.41** | **11.49** | **1.72** | **8.77** | **374.68** |

**Trade receivables ageing schedule as at 31 March 2021**

| | < 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade Receivables – considered good | 189.91 | - | - | - | - | 189.91 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 6.90 | 7.16 | 1.81 | 8.41 | 24.28 |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| | **189.91** | **6.90** | **7.16** | **1.81** | **8.41** | **214.19** |

**Trade receivables ageing schedule as at 31 March 2020**

| | < 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade Receivables – considered good | 136.15 | - | - | - | - | 136.15 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 1.78 | 5.13 | 2.68 | 0.88 | 10.47 |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| | **136.15** | **1.78** | **5.13** | **2.68** | **0.88** | **146.62** |

**Trade receivables ageing schedule as at 31 March 2019**

| | < 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade Receivables – considered good | 227.95 | - | - | - | - | 227.95 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 3.35 | 3.31 | 0.14 | 0.19 | 6.99 |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| | **227.95** | **3.35** | **3.31** | **0.14** | **0.19** | **234.94** |

**11. Cash and cash equivalents**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Cash in hand | 0.88 | 0.43 | 1.10 | 0.07 |
| Balances with banks - on current accounts | 256.67 | 9.16 | 26.96 | 67.69 |
| Bank deposits (with original maturity of less than 3 months) | - | - | 40.17 | 41.90 |
| | **257.55** | **9.59** | **68.23** | **109.66** |

**12. Other bank balances**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Bank deposits with original maturity of more than 3 months but less than 12 months | 11.83 | 3.26 | 3.08 | 2.83 |
| | **11.83** | **3.26** | **3.08** | **2.83** |

**13. Other assets**

| | Non-current | | | | Current | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
| Prepaid expense | 0.23 | 0.25 | 0.09 | 3.43 | 3.83 | 1.84 | 1.69 | 1.08 |
| Balance with statutory authorities | - | - | - | - | 10.81 | 10.61 | 1.21 | 15.87 |
| Advance to suppliers | - | - | - | - | 0.19 | 0.36 | 0.05 | 0.02 |
| | **0.23** | **0.25** | **0.09** | **3.43** | **14.83** | **12.81** | **2.95** | **16.97** |

**All amounts in INR millions, except per share data or as otherwise stated**

**14. Equity share capital**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | No of shares (Absolute)** | Amount | No of shares (Absolute)** | Amount | No of shares (Absolute)** | Amount | No of shares (Absolute)** | Amount |
| **Authorised capital** | | | | | | | | |
| Equity shares of Rs. 10 each** | 20,00,000 | 20.00 | 20,00,000 | 20.00 | 20,00,000 | 20.00 | 10,00,000 | 10.00 |
| | **20,00,000** | **20.00** | **20,00,000** | **20.00** | **20,00,000** | **20.00** | **10,00,000** | **10.00** |
| **Issued, subscribed and paid up capital** | | | | | | | | |
| Equity shares of Rs. 10 each** | 13,48,383 | 13.49 | 11,02,609 | 11.03 | 11,02,609 | 11.03 | 8,68,048 | 8.68 |
| | **13,48,383** | **13.49** | **11,02,609** | **11.03** | **11,02,609** | **11.03** | **8,68,048** | **8.68** |

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | No of shares (Absolute)** | Amount | No of shares (Absolute)** | Amount | No of shares (Absolute)** | Amount | No of shares (Absolute)** | Amount |
| Equity shares at the beginning of the year | 11,02,609 | 11.03 | 11,02,609 | 11.03 | 8,68,048 | 8.68 | 5,87,894 | 5.88 |
| Add: Issued during the year | 2,45,774 | 2.46 | - | - | 2,34,561 | 2.35 | 2,80,154 | 2.80 |
| **Equity shares at the end of the year** | **13,48,383** | **13.49** | **11,02,609** | **11.03** | **11,02,609** | **11.03** | **8,68,048** | **8.68** |

**b) Terms, rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.
On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**c) Shares held by holding company and their subsidiaries/ associates**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | No of shares (Absolute)** | % holding | No of shares (Absolute)** | % holding | No of shares (Absolute)** | % holding | No of shares (Absolute)** | % holding |
| **Equity shares of Rs. 10 each fully paid up**** | | | | | | | | |
| Droom Pte Ltd., (Ultimate holding company) | 13,48,382 | 99.99% | 11,02,608 | 99.99% | 11,02,608 | 99.99% | 8,68,047 | 99.99% |
| Sandeep Aggarwal, nominee of the holding company | 1 | 0.01% | 1 | 0.01% | 1 | 0.01% | 1 | 0.01% |

**d) Shares held by each shareholders holding more than 5% shares of the Company**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | No of shares** | % holding | No of shares** | % holding | No of shares** | % holding | No of shares** | % holding |
| **Equity shares of Rs. 10 each fully paid up**** | | | | | | | | |
| Droom Pte Ltd., Ultimate holding company | 13,48,382 | 99.99% | 11,02,608 | 99.99% | 11,02,608 | 99.99% | 8,68,047 | 99.99% |
| Sandeep Aggarwal, nominee of the holding company | 1 | 0.01% | 1 | 0.01% | 1 | 0.01% | 1 | 0.01% |

e) The Company has not issued any shares without cash consideration or any bonus shares and there has not been any buy-back of shares in the five years immediately preceding the balance sheet date i.e. 30 June 2021.

**f) Shareholding of promoters**

| | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | No of shares (Absolute)** | % holding | No of shares (Absolute)** | % holding | No of shares (Absolute)** | % holding | No of shares (Absolute)** | % holding |
| **Equity shares of Rs. 10 each fully paid up**** | | | | | | | | |
| Droom Pte Ltd., Ultimate holding company | 13,48,382 | 99.99% | 11,02,608 | 99.99% | 11,02,608 | 99.99% | 8,68,047 | 99.99% |
| Sandeep Agarwal (Promotor) * | 1 | 0.01% | 1 | 0.01% | 1 | 0.01% | 1 | 0.01% |

**Sandeep Aggarwal has been named as Promoter of the Company in the annual returns. Further, he is a Director and has indirect ownership in the Company, as shareholder Droom Pte. Ltd. ('Ultimate holding Company') and therefore has direct control over the affairs of the Company.*

**Subsequent to year end, the Holding Company has approved stock splits of one equity share having face value of INR 10 each into Ten equity shares having face value of INR 1 each and also approved issuance of bonus shares in the ratio of 1:11. (refer Note 47).

**15. Other equity**

| | Accumulated deficit (a) | Securities premium (b) | Employee stock option reserve (c) | Other comprehensive income (d) | Total |
|---|---|---|---|---|---|
| **Balance as at 1 April 2018** | **(1,377.21)** | **2,249.12** | **35.00** | **(0.33)** | **906.58** |
| Loss for the year | (1,053.70) | - | - | | (1,053.70) |
| Other comprehensive income/(loss) for the year | - | - | - | (0.07) | (0.07) |
| Additions during the year | - | 809.36 | 70.20 | - | 879.56 |
| **Balance as at 31 March 2019** | **(2,430.91)** | **3,058.48** | **105.20** | **(0.40)** | **732.37** |
| **Balance as at 1 April 2019** | **(2,430.91)** | **3,058.48** | **105.20** | **(0.40)** | **732.37** |
| Loss for the year | (896.03) | - | - | - | (896.03) |
| Other comprehensive income/(loss) for the year | - | - | - | 1.89 | 1.89 |
| Additions during the year | - | 693.05 | 50.33 | - | 743.38 |
| **Balance as at 31 March 2020** | **(3,326.94)** | **3,751.53** | **155.53** | **1.49** | **581.61** |
| **Balance as at 1 April 2020** | **(3,326.94)** | **3,751.53** | **155.53** | **1.49** | **581.61** |
| Loss for the year | (688.83) | - | - | - | (688.83) |
| Other comprehensive income/(loss) for the year | - | - | - | 0.85 | 0.85 |
| Additions during the year | - | - | 284.52 | - | 284.52 |
| **Balance as at 31 March 2021** | **(4,015.77)** | **3,751.53** | **440.05** | **2.34** | **178.15** |
| **Balance as at 1 April 2021** | **(4,015.77)** | **3,751.53** | **440.05** | **2.34** | **178.15** |
| Loss for the year | (325.85) | - | - | - | (325.85) |
| Other comprehensive income/(loss) for the year | - | - | - | (0.39) | (0.39) |
| Additions during the year | - | 742.24 | 196.26 | - | 938.50 |
| **Balance as at 30 June 2021** | **(4,341.62)** | **4,493.77** | **636.31** | **1.95** | **790.41** |

(a)Accumulated Deficit:- Retained earnings are the accumulated loss made by the group till date.
(b)Securities premium:- Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.
(c) Employee share options reserve:- Employee share option outstanding account is used to record the impact of employee stock option scheme. Refer note 39 for further detail of this plan.
(d)Other Comprehensive Income: Remeasurement of net defined benifit liability

**All amounts in INR millions, except per share data or as otherwise stated**

**16(a). Long-term borrowings**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Secured loan | 1.73 | 2.28 | 4.34 | 6.21 |
| MSME* Term loan | 47.60 | 47.60 | - | - |
| Less: Current maturities of long-term borrowings classified under short-term borrowings (refer note 16(b)) | (11.35) | (8.21) | (2.40) | (1.87) |
| | **37.98** | **41.67** | **1.94** | **4.34** |

**Secured loan**
Secured loan comprise of motor vehicle loans taken by the Company secured against the motor vehicles, repayable in 36 annual installments starting from March 15, 2019 with the interest rate 9.73% p.a.

***Micro, Small & Medium Enterprises Term loan**
The Company has availed fund-based credit facility with the bank in the form of term loan bearing interest rate of 8% p.a. and repayable in 36 equal monthly installments starting from 25 November 2021.

The Company has taken these loan for general purpose working capital requirements.

**16(b). Short-term borrowings**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Current maturities of long-term borrowings (refer note 16(a)) | 11.35 | 8.21 | 2.40 | 1.87 |
| Bank overdrafts | 250.88 | 467.05 | 305.52 | - |
| Other borrowings | 1.58 | 1.56 | 5.73 | - |
| | **263.81** | **476.82** | **313.65** | **1.87** |

**Bank overdraft**
The Company has availed fund-based credit facility with the bank which are available for the general purpose working capital requirements in the form of overdrafts. As at 30 June 2021, 31 March 2021 and 31 March 2020, the limit available are INR 500 million, INR 500 million and INR 500 million, respectively, of which INR 250.88, INR 467.05 million and INR 305.52 million, have been utilised. These facilities bearing interest ranging between 6.75% to 9.10% and repayable on demand, subject to annual renewal of such facility.

The Company's investment in mutual funds is pledged as collateral against this facility amounting to INR 577.97, INR 577.97 million, INR 530.52 million, respectively as on 30 June 2021, 31 March 2021 and 31 March 2020.The Company is not required to file any returns to the bank as per terms of arrangement of the facility.

**Other borrowings**
Borrowings comprise of unsecured loans taken by the Group with interest rate ranging between 8% to 8.6% p.a.

**17. Trade payables**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Total outstanding dues of micro and small enterprises | 1.08 | 1.88 | 0.86 | 0.01 |
| Total outstanding dues of creditors other than micro and small enterprises | 326.33 | 176.81 | 32.67 | 79.60 |
| | **327.41** | **178.69** | **33.53** | **79.61** |

**Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:**

The information regarding Micro, Small and Medium Enterprises have been determined by the management to the extent such parties have been identified on the basis of information available with the Company.

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | - | - | - | - |
| Principal amount due to micro and small enterprises | 1.08 | 1.88 | 0.86 | 0.01 |
| Interest due on above | - | - | - | - |
| b) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - | - | - |

**Trade payable ageing schedule as on 30 June 2021**

| | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|
| MSME | 1.08 | - | - | - | 1.08 |
| Others | 318.90 | 1.70 | 2.91 | 2.82 | 326.33 |
| Disputed dues (MSMEs) | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| | **319.98** | **1.70** | **2.91** | **2.82** | **327.41** |

**Trade payable ageing schedule as on 31 March 2021**

| | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|
| MSME | 1.88 | - | - | - | 1.88 |
| Others | 169.50 | 3.05 | 1.74 | 2.52 | 176.81 |
| Disputed dues (MSMEs) | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| | **171.38** | **3.05** | **1.74** | **2.52** | **178.69** |

**Trade payable ageing schedule as on 31 March 2020**

| | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|
| MSME | 0.86 | - | - | - | 0.86 |
| Others | 28.35 | 1.80 | 1.32 | 1.20 | 32.67 |
| Disputed dues (MSMEs) | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| | **29.21** | **1.80** | **1.32** | **1.20** | **33.53** |

**Trade payable ageing schedule as on 31 March 2019**

| | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|
| MSME | 0.01 | - | - | - | 0.01 |
| Others | 74.41 | 1.40 | 2.69 | 1.10 | 79.60 |
| Disputed dues (MSMEs) | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| | **74.42** | **1.40** | **2.69** | **1.10** | **79.61** |

**All amounts in INR millions, except per share data or as otherwise stated**

**18. Other financial liabilities**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Other payables | 23.15 | 18.39 | 15.34 | 40.18 |
| Dues to employees | 29.28 | 26.66 | 29.90 | 27.83 |
| Others | 0.51 | 0.59 | 0.69 | 0.88 |
| | **52.94** | **45.64** | **45.93** | **68.89** |

**19. Other current liabilities**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Statutory liabilities | 13.92 | 7.86 | 6.26 | 7.59 |
| | **13.92** | **7.86** | **6.26** | **7.59** |

**20. Contract liabilities**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Deferred revenue | 0.15 | 1.88 | 1.41 | 2.38 |
| | **0.15** | **1.88** | **1.41** | **2.38** |

**21. Provisions**

| | Non-Current | | | | Current | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
| Provisions for employee benefits (refer note 35) | 15.81 | 14.80 | 12.73 | 10.37 | 1.78 | 1.69 | 0.80 | 0.03 |
| Provisions for tax (net of advance tax for FY19 INR 0.08 million and FY20 0.14 million ) | - | - | - | - | - | - | 0.58 | 0.11 |
| | **15.81** | **14.80** | **12.73** | **10.37** | **1.78** | **1.69** | **1.38** | **0.14** |

**All amounts in INR millions, except per share data or as otherwise stated**

### 22. Revenue from operations

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Sale of services | 761.13 | 1,187.72 | 1,527.13 | 1,023.88 |
| Advertisement and marketing services | 11.77 | 3.69 | 19.39 | 15.19 |
| Technology support services | 17.91 | 61.91 | 175.20 | 320.61 |
| | **790.81** | **1,253.32** | **1,721.72** | **1,359.68** |

**Contract balances**

The following table provides information about contracts liabilities from contract with customers.

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Deferred revenue * | 0.15 | 1.88 | 1.41 | 2.38 |
| | **0.15** | **1.88** | **1.41** | **2.38** |

** Deferred revenue is recognised as revenue in the subsquent year*

### 23. Other income

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Fair value gain on mutual funds | 8.70 | 46.82 | 12.14 | - |
| Foreign exchange gain, net | 0.36 | - | 0.37 | - |
| Gain on termination of lease contracts (refer note 38) | - | 19.22 | - | - |
| Interest income | 8.05 | 26.01 | 38.47 | 6.84 |
| Interest income on security deposit | 0.18 | 1.16 | 0.99 | 0.34 |
| Liability no longer required, written back | - | 0.06 | 2.20 | 0.83 |
| Other interest income | 1.86 | 8.28 | 3.94 | 8.99 |
| Miscellaneous income | 0.10 | 0.36 | 0.35 | 0.01 |
| Profit on sale of mutual funds | 0.45 | - | 33.50 | 84.42 |
| | **19.70** | **101.91** | **91.96** | **101.43** |

### 24. Service cost

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Shipping charges | 0.11 | 1.54 | 2.39 | 8.57 |
| Transaction charges | 0.27 | 0.95 | 24.21 | 15.97 |
| Material consumed | 0.02 | 18.14 | - | - |
| Royalty and commission | 0.05 | 0.30 | - | - |
| Vehicle inspection charges | 0.06 | 0.16 | 2.81 | - |
| | **0.51** | **21.09** | **29.41** | **24.54** |

### 25. Employee benefit expense

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Salary and wages | 82.85 | 259.42 | 390.69 | 314.19 |
| Stock based compensation expense | 196.25 | 284.52 | 50.33 | 70.20 |
| Contribution to provident and other funds (refer note 35) | 1.70 | 6.32 | 8.50 | 6.11 |
| Gratuity expenses (refer note 35) | 1.45 | 5.23 | 5.03 | 4.29 |
| Staff welfare expenses | 2.25 | 6.27 | 17.01 | 12.69 |
| | **284.50** | **561.76** | **471.56** | **407.48** |

### 26. Finance costs

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Interest expense on lease liabilities (refer note 38) | 4.05 | 23.41 | 31.47 | 11.97 |
| Interest expenses on borrowings | 4.72 | 32.53 | 14.31 | 0.03 |
| Interest on income tax | - | 0.03 | 0.01 | - |
| | **8.77** | **55.97** | **45.79** | **12.00** |

### 27. Depreciation and amortisation expense

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Depreciation expense (refer note 4(a)) | 2.20 | 10.12 | 11.33 | 8.37 |
| Amortisation of intangible assets (refer note 4(b)) | 0.65 | 0.65 | - | - |
| Amortisation of right-of-use asset (refer note 38) | 6.19 | 34.03 | 43.39 | 16.01 |
| | **9.04** | **44.80** | **54.72** | **24.38** |

**All amounts in INR millions, except per share data or as otherwise stated**

**28. Other expenses**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Promotion and incentive expense | 790.05 | 1,210.54 | 1,838.43 | 1,364.42 |
| Advertisement and business development expense | 20.28 | 26.48 | 148.07 | 462.14 |
| IT support expenses | 5.29 | 21.22 | 39.60 | 39.88 |
| Fair value loss on mutual funds | - | - | - | 21.11 |
| Office expenses | 4.00 | 6.26 | 13.30 | 14.15 |
| Provision for expected credit losses on loans | 0.65 | 60.39 | 8.58 | 86.88 |
| Provision for expected credit losses on trade receivables | 5.61 | 3.20 | 16.50 | 3.17 |
| Rent (refer note 38) | 1.10 | 4.67 | 6.49 | 6.03 |
| Bank charges | 0.09 | 0.73 | 0.38 | 0.24 |
| Travelling expenses | 0.07 | 1.26 | 10.15 | - |
| Communication expenses | 0.66 | 2.94 | 4.20 | 14.02 |
| Legal and professional expenses (including payment to auditors) | 4.89 | 9.52 | 13.36 | 5.32 |
| Printing and stationery expenses | 0.04 | 0.45 | 1.08 | 15.82 |
| Rates and taxes | 0.03 | 1.86 | 1.59 | 1.19 |
| Repairs and maintenance expenses | 0.19 | 0.77 | 1.90 | 0.82 |
| Transportation expenses | - | 0.47 | 0.16 | 4.92 |
| Foreign exchange loss | - | 3.54 | - | - |
| Miscellaneous expenses | 0.18 | 2.26 | 3.69 | 1.67 |
| Insurance expenses | 0.07 | 2.49 | 0.01 | 0.78 |
| Loans written off | 0.50 | 5.74 | - | - |
| Assets written off | 0.03 | - | - | - |
| Membership and annual fees | - | 0.01 | - | 3.50 |
| | **833.73** | **1,364.80** | **2,107.49** | **2,046.06** |
| **Payment to auditors** | | | | |
| Audit fees (excluding applicable taxes) | 4.00 | 4.61 | 3.44 | 2.09 |
| | **4.00** | **4.61** | **3.44** | **2.09** |

**29. Earnings per equity share ('EPS')**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| **Net profit attributable to equity shareholders** | | | | |
| Loss for the period/ year | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Weighted average number of equity shares for calculating basic and diluted EPS (in absolute)* | 13,49,05,861 | 13,23,13,080 | 12,72,37,334 | 10,41,65,760 |
| **Basic and diluted earnings per share (in INR absolute)** | **(2.42)** | **(5.21)** | **(7.04)** | **(10.12)** |

* The earnings per share reflects the impact of sub-division of 1 equity share having face value of INR 10 each into 10 equity shares having face value of INR 1 each and further bonus shares issuance in the ratio of 1:11 (refer note 47).

**Droom Technology Limited (formerly known as Droom Technology Private Limited)**
**Notes to Restated Consolidated Financial Information**
**All amounts in INR millions, except per share data or as otherwise stated**

**30. Income tax expense**

The major components of income tax expense/(credit) are:

**a) Income tax expense/(credit) recognised in the Statement of profit and loss**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Current tax | - | 0.13 | 0.75 | 0.20 |
| Deferred tax | - | - | (0.18) | - |
| **Income tax expense** | **-** | **0.13** | **0.57** | **0.20** |

**b) The income tax expense for the year can be reconciled to the Loss before tax as follows:**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| **Loss before tax for period/year** | **(325.85)** | **(688.70)** | **(895.37)** | **(1,053.50)** |
| Statutory tax rate | 26.00% | 26.00% | 26.00% | 31.20% |
| Tax at statutory rate | (84.72) | (179.06) | (232.80) | (328.69) |
| Non-deductible differences | - | 0.01 | 0.11 | - |
| Tax losses for which no deferred tax asset was recognised | 84.72 | 179.71 | 233.93 | 328.69 |
| Others | - | (0.53) | (0.68) | 0.20 |
| **Income tax expense** | **-** | **0.13** | **0.57** | **0.20** |

**c) Break up of deferred tax recognised in the Balance sheet**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| **Deferred tax asset** | | | | |
| Unabsorbed losses | 1,018.66 | 985.64 | 889.82 | 814.79 |
| Unabsorbed depreciation | 12.16 | 11.50 | 9.54 | 8.18 |
| Employee benefits | 4.57 | 4.29 | 3.52 | 3.24 |
| Provision for expected credit losses on trade receivables | 16.72 | 15.85 | 8.87 | 2.60 |
| Provision for expected credit losses on loans | - | 32.77 | 22.76 | 39.33 |
| Provision for unsecured loan | 32.77 | - | - | - |
| Disallowances under section 40(a)(i), 43B of the Income tax Act, 1956 | - | - | 0.01 | - |
| Leases | 4.98 | 4.40 | 3.03 | - |
| Property, plant and equipment | - | 0.58 | - | - |
| | **1,089.86** | **1,055.03** | **937.55** | **868.14** |
| **Deferred tax liability** | | | | |
| Property, plant and equipment | (0.12) | (0.41) | (0.32) | (0.64) |
| Leases | - | - | - | (3.42) |
| Current investments | (20.05) | (17.79) | (5.62) | (2.96) |
| | **(20.17)** | **(18.20)** | **(5.94)** | **(7.02)** |
| **Deferred tax assets, net** | **-** | **-** | **-** | **-** |

Deferred tax assets have not been recognised on the unused tax losses due to lack of reasonable certainty to earn sufficient profits in future against which these tax losses can be utilised.

Utilization of tax business losses is subject to expiry of 8 years. Unabsorbed depreciation can be carried forward for an indefinite period. Other deductible temporary differences do not have any expiry date.

**31. Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either direclty or indirectly.
Level 3: Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

**Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019**

| | Level | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Non-current investments(note 5) | | 3.16 | 3.18 | 3.45 | 6.45 |
| Loans (note 6) | | 118.33 | 122.56 | 218.73 | 222.67 |
| Trade receivables(note 10) | | 341.08 | 186.20 | 121.83 | 226.65 |
| Cash and cash equivalents (note 11) | | 257.55 | 9.59 | 68.23 | 109.66 |
| Other bank balance(note 12) | | 11.83 | 3.26 | 3.08 | 2.83 |
| Other financial assets (note 7) | | 21.31 | 13.35 | 25.26 | 38.78 |
| **Financial assets measured at fair value through profit and loss** | | | | | |
| Current investments(Note9) | 1 | 731.42 | 585.61 | 538.80 | 243.98 |
| **Financial liabilities measured at amortised cost** | | | | | |
| Borrowings (note 16(a) & 16(b)) | | 301.79 | 518.49 | 315.59 | 6.21 |
| Lease liabilities (note 38) | | 186.35 | 190.15 | 355.31 | 374.05 |
| Trade payables (note 17) | | 327.42 | 178.69 | 33.53 | 79.61 |
| Other financial liabilities (note 18) | | 52.94 | 45.64 | 45.93 | 68.89 |

The carrying amounts of cash and cash equivalents, other bank balance, trade receivables, trade payables and other financial liabilities approximates the fair values due to their short- term nature.

There are no transfers between any levels for fair value measurements.

**All amounts in INR millions, except per share data or as otherwise stated**

**32. Financial Risk Management**

***Risk profile and risk mitigation***

**Risk management structure and Group's risk profile**

The Group's management monitors and manages key financial risks relating to the operations of the group by analysing exposures by degree and magnitude of risk. The group is primarily exposed to credit, market and liquidity risk.

The Group's senior management has overall responsibility for the establishment and oversight of the Group's risk management framework. The senior management ensures that the Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

***A) Credit risk***
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans, trade receivables, other financial assets, balance and deposits with banks and financial institutions.

The carrying amounts of financial assets represent the maximum credit risk exposure.

**i) Loans at amortised cost:**
The following tables set out information about credit quality of loan assets measured at amortized cost.

**a) Credit risk management**

The Group has a comprehensive framework for monitoring credit quality of its loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

**Credit Quality of loans**
The following table sets out information about credit quality of loans based on days past due information.

**Loans measured at amortised cost**

| Particulars | Gross carrying amount | Weighted average loss rate | Loss allowance | Whether credit -impaired |
|---|---|---|---|---|
| **As at 30 June 2021** | | | | |
| 0-30 days past due | 49.42 | 2.11% | 1.04 | No |
| 31-90 days past due | 6.99 | 15.79% | 1.10 | No |
| More than 90 days past due | 218.43 | 70.67% | 154.37 | Yes |
| | **274.84** | **56.95%** | **156.51** | |
| **As at 31 March 2021** | | | | |
| 0-30 days past due | 56.12 | 2.02% | 1.13 | No |
| 31-90 days past due | 7.30 | 13.76% | 1.00 | No |
| More than 90 days past due | 215.00 | 71.50% | 153.73 | Yes |
| | **278.42** | **55.98%** | **155.86** | |
| **As at 31 March 2020** | | | | |
| 0-30 days past due | 108.43 | 1.49% | 1.61 | No |
| 31-90 days past due | 22.16 | 12.66% | 2.81 | No |
| More than 90 days past due | 184.44 | 49.81% | 91.87 | Yes |
| | **315.03** | **30.57%** | **96.29** | |
| **As at 31 March 2019** | | | | |
| 0-30 days past due | 98.56 | 5.38% | 5.30 | No |
| 31-90 days past due | 1.62 | 10.76% | 0.17 | No |
| More than 90 days past due | 209.37 | 38.88% | 81.41 | Yes |
| | **309.55** | **28.07%** | **86.88** | |

The Group reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Company is into retail lending business, there is no significant credit risk of any individual customer that may impact the Company adversely, and hence the Group has calculated its ECL allowances on a collective basis.

**Inputs considered in the ECL model**
In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due
Stage 2 : 31-90 days past due
Stage 3 : More than 90 days past due
On account of significant increase in credit risk certain portfolio hs been classified at lower stages

***(b) Definition of default***

The Group considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

***(c) Exposure at default***

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

At any point in time the amount of days past due the last principal/ interest obligation by the borrower leads into categorisation of the exposure as per below:
- Stage 1 (current and less than 30 DPD exposure falls under stage 1) subject to 12 months ECL
- Stage 2 (31 to 90 DPD exposure falls under stage 2 EAD) subject to life time ECL or
- Stage 3 (greater than 90 DPD falls under this category) subject to life time ECL.

***(d) Estimations and assumptions considered in the ECL model***

The Group has made the following assumptions in the ECL Model:

The Group has used 'Benchmarking Analysis' in order to estimate ECL% due to lack of historical data to perform a trend analysis/regressions. The benchmark ECL ratios are considered from companies operating in similar domain.
Observed market benchmark ECL% was adjusted for certain company specific factors. The probability of default % is considered to be higher than the market benchmarks, for reason including initial business operations, small size of operations, etc. Accordingly, the market observed ECL% was adjusted to arrive at the ECL percentages for the Company.

***(e) Assessment of significant increase in credit risk***

When determining whether the credit risk has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience, including forward-looking information. The Group considers reasonable and supportable information that is relevant and available without undue cost and effort. The Group's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have a significant increase in credit risk. As a result the Company monitors all financial assets that are subject to impairment for significant increase in credit risk.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations, for instance cases where Company suspects fraud and legal proceedings are initiated.

***Analysis of risk concentration***

The Company's concentrations of risk are managed by client/counterparty and industry sector. The maximum credit exposure to any individual client or counterparty was INR 5.02 million, 5.02 million, INR 4.26 million and INR 2.86 million as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019 respectively.

**All amounts in INR millions, except per share data or as otherwise stated**

***Concentration of credit risk grouping***

The Company monitors concentration of credit risk by sector and by geographic location. An analysis of concentration of credit risk from financial assets is shown below.

| Loans and advances to customers | As at 30 June 2021 Amount | As at 31 March 2021 Amount | As at 31 March 2020 Amount | As at 31 March 2019 Amount |
|---|---|---|---|---|
| **per Geographical grouping** | | | | |
| India | 274.84 | 278.42 | 315.03 | 309.55 |
| Outside India | - | - | - | - |
| **Total** | **274.84** | **278.42** | **315.03** | **309.55** |
| **per Region** | | | | |
| North India | 192.64 | 192.55 | 223.77 | 221.33 |
| South India | 55.62 | 58.30 | 62.45 | 57.75 |
| East India | 6.16 | 6.05 | 5.73 | 8.05 |
| West India | 20.42 | 21.52 | 23.08 | 22.42 |
| **Total** | **274.84** | **278.42** | **315.03** | **309.55** |

***Collateral and other credit enhancements***

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. Collateral primarily includes vehicles purchased by retail loan customers against two wheeler loan.

Below tables disclose maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

| **As at 30 June 2021** | Maximum exposure to credit risk | Fair value of collateral* | Net exposure |
|---|---|---|---|
| Loans* | | | |
| Secured | 218.94 | 226.56 | - |
| Unsecured | 55.90 | - | 55.90 |
| **Loans at amortised cost** | **274.84** | **226.56** | **55.90** |

| **As at 31 March 2021** | Maximum exposure to credit risk | Fair value of collateral* | Net exposure |
|---|---|---|---|
| Loans* | | | |
| Secured | 226.37 | 242.64 | - |
| Unsecured | 52.05 | - | 52.05 |
| **Loans at amortised cost** | **278.42** | **242.64** | **52.05** |

| **As at 31 March 2020** | Maximum exposure to credit risk | Fair value of collateral* | Net exposure |
|---|---|---|---|
| Loans* | | | |
| Secured | 285.35 | 345.59 | - |
| Unsecured | 29.68 | - | 29.68 |
| **Loans at amortised cost** | **315.03** | **345.59** | **29.68** |

| **As at 31 March 2019** | Maximum exposure to credit risk | Fair value of collateral* | Net exposure |
|---|---|---|---|
| Loans* | | | |
| Secured | 277.68 | 339.06 | - |
| Unsecured | 31.87 | - | 31.87 |
| **Loans at amortised cost** | **309.55** | **339.06** | **31.87** |

* the value of collateral for vehicles is derived by writing down the asset by the asset cost at origination by 15% per annum on written down value method.
Further, the maximum exposure at credit risk for loans is before adjustment of impairment loss allowance.

**All amounts in INR millions, except per share data or as otherwise stated**

The below tables provide an analysis of the current fair values of collateral held for stage 3 assets.

| **As at 30 June 2021** | **Maximum exposure to credit risk** | **Fair value of collateral*** | **Net Exposure** |
|---|---|---|---|
| Loans* | | | |
| Secured | 170.13 | 139.71 | 30.42 |
| Unsecured | 48.30 | - | 48.30 |
| **Loans at amortised cost** | **218.43** | **139.71** | **78.72** |

| **As at 31 March 2021** | **Maximum exposure to credit risk** | **Fair value of collateral*** | **Net Exposure** |
|---|---|---|---|
| Loans* | | | |
| Secured | 168.56 | 143.50 | 25.06 |
| Unsecured | 46.44 | - | 46.44 |
| **Loans at amortised cost** | **215.00** | **143.50** | **71.50** |

| **As at 31 March 2020** | **Maximum exposure to credit risk** | **Fair value of collateral*** | **Net Exposure** |
|---|---|---|---|
| Loans* | | | |
| Secured | 156.19 | 157.23 | (1.04) |
| Unsecured | 28.25 | - | 28.25 |
| **Loans at amortised cost** | **184.44** | **157.23** | **27.21** |

| **As at 31 March 2019** | **Maximum exposure to credit risk** | **Fair value of collateral*** | **Net Exposure** |
|---|---|---|---|
| Loans* | | | |
| Secured | 203.67 | 248.86 | (45.19) |
| Unsecured | 5.71 | - | 5.71 |
| **Loans at amortised cost** | **209.38** | **248.86** | **(39.48)** |

*The maximum exposure at credit risk for loans is before adjustment of impairment loss allowance.

The Company monitors its exposure to loan portfolio using the loan to Value ('LTV') ratio. Depending on the credit profile of the customer, LTV at the time of origination of loan generally ranges from 80% to 90%. The following tables stratify credit exposures from loans to customers by ranges of LTV ratio. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral.

**Carrying amount (before adjustment of EIR) of secured loan by ranges of LTV (at the time of origination of loan during the year)**

| **LTV ranges** | **For the quarter ended 30 June 2021** | **For the year ended 31 March 2021** | **For the year ended 31 March 2020** | **For the year ended 31 March 2019** |
|---|---|---|---|---|
| Less than and equal to 50% | - | - | 2.02 | 3.49 |
| 51-70% | - | - | - | 0.05 |
| 71-100% | 0.18 | 1.29 | 152.65 | 274.13 |
| More than 100% | - | - | - | - |
| **Total** | **0.18** | **1.29** | **154.67** | **277.67** |

**Carrying amount of credit impaired loans (stage 3) (before adjustment of EIR) by ranges of LTV (as at the year end)**

| **LTV ranges** | **As at 30 June 2021** | **As at 31 March 2021** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|---|---|
| Less than and equal to 50% | 29.22 | 26.63 | 15.87 | 0.06 |
| 51-70% | 4.31 | 5.05 | 2.82 | 0.05 |
| 71-100% | 34.48 | 41.55 | 124.02 | 201.64 |
| More than 100% | 102.13 | 95.33 | 13.48 | 1.91 |
| **Total** | **170.14** | **168.56** | **156.19** | **203.66** |

**All amounts in INR millions, except per share data or as otherwise stated**

**ii) Trade receivables**
Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with the assessment. Outstanding trade receviables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets described below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

**Expected credit losses assessment**

The ageing of trade receivables at the reporting date is as follows:

| | Not due | 0-6 months | 6-12 months | 12-18 months | 18-24 months | Loss after 24 months |
|---|---|---|---|---|---|---|
| As at 30 June 2021 | 280.91 | 25.95 | 2.41 | 9.83 | 1.66 | 10.49 |
| As at 31 March 2021 | 145.21 | 15.08 | 6.90 | 5.97 | 1.19 | 10.22 |
| As at 31 March 2020 | 1.60 | 16.87 | 1.78 | 1.87 | 3.25 | 3.57 |
| As at 1 April 2019 | 0.08 | 3.89 | 3.35 | 2.75 | 0.55 | 0.33 |

Related Parties

| | Not due | 0-6 months | 6-12 months | 12-18 months | 18-24 months | Loss after 24 months |
|---|---|---|---|---|---|---|
| As at 30 June 2021 | - | 43.42 | - | - | - | - |
| As at 31 March 2021 | - | 29.61 | - | - | - | - |
| As at 31 March 2020 | - | 117.68 | - | - | - | - |
| As at 1 April 2019 | - | 223.98 | - | - | - | - |

**Default rate**

| **Probability Weighted ECL (MeV Adjusted)** | Not due | 0-6 months | 6-12 months | 12-18 months | 18-24 months | Loss after 24 months |
|---|---|---|---|---|---|---|
| As at 30 June 2021* | 2%-49.93% | 49.93% | 63.26% | 70.75% | 96.87% | 100.00% |
| As at 31 March 2021* | 2%-49.93% | 49.93% | 63.26% | 70.75% | 96.87% | 100.00% |
| As at 31 March 2020** | 2%-77.96% | 77.96% | 97.98% | 98.72% | 99.18% | 100.00% |
| As at 1 April 2019*** | 2%-56.86% | 56.86% | 82.32% | 88.05% | 92.85% | 100.00% |

**Movement in ECL**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 1 April 2019 |
|---|---|---|---|---|
| **Opening balance** | 27.99 | 24.79 | 8.29 | 6.76 |
| Addition during the year | 5.61 | 3.20 | 16.50 | 1.53 |
| **Closing balance** | 33.60 | 27.99 | 24.79 | 8.29 |

*** We have assumed the scenario to follow normal distribution. Baseline scenario has been assigned 1 standard deviation probability level, i.e., 68.2689%. Therefater, the remaining probability has been distributed as 1/3rd and 2/3rd to upside and downside scenarios, respectively.

** Considering the COVID impact, we have assigned 40% probability to downside scenario, 50% to baseline, and remaining 10% to upside scenario.

*Considering the COVID impact, we have assigned 40% probability to downside scenario, 50% to baseline, and remaining 10% to upside scenario.

**iii) Bank deposits**
Credit risk from balances with the banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each countryparty. Counterparty credit risk limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company considers that the deposits with banks have low credit risk based on the information available.

**B) Market risk**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market price. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings.

**i) Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's borrowings with floating interest rates.

**Exposure to interest rate risk**
The interest rate profile of the Company's interest bearing financial instruments as reported to management is as follows:

| **Variable rate intruments** | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Borrowings | 250.88 | 467.05 | 305.52 | - |

**Interest rate sensitivity analysis for variable instruments:**
The following table demonstrates the sensitivity to a reasonably possible change in interest rate of borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

| **Impact on statement of profit and loss for the year** | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Increase by 50 basis point | 1.25 | 2.34 | 1.53 | - |
| Decrease by 50 basis point | (1.25) | (2.34) | (1.53) | - |

**ii) 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 Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchase of services are denominated (i.e. USD) and the functional currency of the Company (i.e. INR). The sensitivity related to currency risk is disclosed below.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates between USD and INR:

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Trade receivables | 48.76 | 30.35 | 117.68 | 224.03 |

| **Sensitivity** | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| **Impact on statement of profit and loss for the year** | | | | |
| +5% change in currency exchange rates | 0.03 | 0.02 | 0.08 | 0.16 |
| -5% change in currency exchange rates | (0.03) | (0.02) | (0.08) | (0.16) |

**C) Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

**All amounts in INR millions, except per share data or as otherwise stated**

**Maturity profile of financial liabilities**

The tables below summarises the maturity profile of the Company's financial liabilities based on their contractual undiscounted maturities:

| **As at 30 June 2021** | < 1 year | 1-3 year | > 3 years | Total |
|---|---|---|---|---|
| Borrowings | 263.81 | 37.98 | - | 301.79 |
| Trade payables | 320.03 | 4.61 | 2.83 | 327.47 |
| Other financial liabilities | 52.94 | - | - | 52.94 |
| Lease liabilities | 25.89 | 48.77 | 111.69 | 186.35 |
| **Total** | **662.67** | **91.36** | **114.52** | **868.55** |

| **As at 31 March 2021** | < 1 year | 1-3 year | > 3 years | Total |
|---|---|---|---|---|
| Borrowings | 476.82 | 41.67 | - | 518.49 |
| Trade payables | 171.42 | 4.79 | 2.52 | 178.73 |
| Other financial liabilities | 45.64 | - | - | 45.64 |
| Lease liabilities | 25.55 | 49.83 | 114.77 | 190.15 |
| **Total** | **719.43** | **96.29** | **117.29** | **933.01** |

| **As at 31 March 2020** | < 1 year | 1-3 year | > 3 years | Total |
|---|---|---|---|---|
| Borrowings | 313.65 | 1.94 | - | 315.59 |
| Trade payables | 29.18 | 3.12 | 1.20 | 33.50 |
| Other financial liabilities | 45.93 | - | - | 45.93 |
| Lease liabilities | 45.18 | 90.28 | 219.85 | 355.31 |
| **Total** | **433.94** | **95.34** | **221.05** | **750.33** |

| **As at 31 March 2019** | < 1 year | 1-3 year | > 3 years | Total |
|---|---|---|---|---|
| Borrowings | 1.87 | 4.34 | - | 6.21 |
| Trade payables | 74.42 | 4.09 | 1.10 | 79.61 |
| Other financial liabilities | 68.89 | - | - | 68.89 |
| Lease liabilities | 40.09 | 90.16 | 243.80 | 374.05 |
| **Total** | **185.27** | **98.59** | **244.90** | **528.76** |

**All amounts in INR millions, except per share data or as otherwise stated**

**33. Capital management**

The Company's objectives while managing capital is to safeguard its ability to continue as a going concern and to generate returns for its shareholders and ensuring benefits for other shareholders. The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity, creditor and customer confidence, and ensure future development of its business activities. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements.

The Company's capital management objective is to remain majorly a debt-free Company till the time it achieves break-even. In order to meet the objecyive, the Company's focus is to keep strong total equity base to ensure independence, security as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company. The Company utilizes certain working capital facilities in the form of short term bank overdraft and term loans to meet anticipated interim working capital requirements.

No material changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2021 and year ended 31 March 2021, 31 March 2020 and 31 March 2019.

**34. Related party disclosures:**

**a) Name of the related parties and related party relationship**

| | |
|---|---|
| **i) Related parties where control exists** | |
| Ultimate Holding company | Droom Pte Ltd, Singapore |
| **ii) Entity's subsidiaries and associate** | |
| Holding company | Droom Technology Limited (Formerly Known as Droom Technology Private limited) |
| Associates | Droom Tech Insurance Broking Private Limited |
| **iii) Fellow subsidiaries** | |
| Subsidiaries of ultimate holding company | Droom Labs Inc.<br>Droom International Pte Ltd<br>Droom Fintech Pte Ltd |
| Subsidiaries of Droom International Pte Ltd | Droom Malaysia SDN BHD<br>Droom Thailand Ltd<br>PT. Droom Technology Indonesia |
| **Other related parties** | |
| Key Managerial Personnel (KMP) | Amarpreet Singh (Director)<br>Sandeep Aggarwal (Director)<br>Puneet Bhaskar (Director) (till 29 July 2020) |

**b) Transactions during the year:**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| **Droom Pte Ltd, Singapore** | | | | |
| Revenue from operations | 17.91 | 61.91 | 175.20 | 320.61 |
| Expenses incurred by the Company on behalf of group company | - | - | - | 0.34 |
| Issuance of share capital (including securities premium) | 744.70 | - | 695.40 | 812.16 |
| **Droom Tech Insurance Broking Private Limited** | | | | |
| Investment in associates | - | - | 3.19 | 0.49 |
| Expenses incurred by the Company on behalf of group company | - | 0.11 | 0.03 | 0.31 |
| **Droom Labs Inc.** | | | | |
| Expenses incurred by the Company on behalf of group company | 0.07 | 0.39 | 0.44 | 0.67 |
| **Droom Thailand Ltd** | | | | |
| Expenses incurred by the Company on behalf of group company | - | 0.05 | - | - |
| **Pt. Droom Technology Indonesia** | | | | |
| Expenses incurred by the Company on behalf of group company | - | 0.88 | - | - |
| **Remuneration to Key Managerial Personnel** | | | | |
| **Salary** | | | | |
| Sandeep Aggarwal | - | - | 3.72 | 8.46 |
| Amarpreet Singh | 1.09 | 3.25 | 3.37 | 3.33 |
| Puneet Bhaskar | - | - | 6.90 | 7.33 |
| Rishab Malik | - | - | - | 9.55 |
| Ramutar Goel | - | - | - | 5.73 |
| **Reimbursement of expenses** | | | | |
| Sandeep Aggarwal | 0.26 | 7.94 | 7.30 | 7.09 |
| Amarpreet Singh | - | 0.04 | 0.18 | 0.03 |
| Puneet Bhaskar | - | - | 0.62 | 0.11 |
| Rishab Malik | - | | | 0.88 |
| Ramutar Goel | - | | | 0.33 |
| **Interest on loan** | | | | |
| Sandeep Aggarwal | - | - | 0.04 | **1.35** |

**c) Outstanding balances as at year end:**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| **Non-current investments (refer note 5)** | | | | |
| Droom Tech Insurance Broking Private Limited | 3.16 | 3.18 | 3.45 | 0.33 |
| **Other financial assets (refer note 7)** | | | | |
| Droom Tech Insurance Broking Private Limited | 0.45 | 0.45 | 0.34 | 0.31 |
| Droom Thailand Ltd | 0.05 | 0.05 | - | - |
| PT. Droom Technology Indonesia | 0.89 | 0.88 | - | - |
| **Trade receivables (refer note 10)** | | | | |
| Droom Pte Ltd, Singapore | 48.55 | 30.29 | 117.68 | 226.91 |
| **Trade payables (refer note 17)** | | | | |
| Droom Labs Inc. | 2.76 | 2.83 | 2.66 | 3.10 |
| **Amount recoverable from Key managerial personnel** | | | | |
| Sandeep Aggarwal | | | | |
| - Loan (general purpose account) | - | - | 2.94 | 21.45 |

**All amounts in INR millions, except per share data or as otherwise stated**

**d) Following transactions were eliminated on consolidation**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| **Droom Tech Logistic Private Limited** | | | | |
| Expenses incurred by the Company on behalf of group company | - | 1.18 | 2.00 | 4.79 |
| Other expenses - one time store branding | - | 0.80 | - | - |
| Revenue from operations - Sale of services | - | 3.07 | 1.50 | - |
| Other income - Interest income | 0.69 | 2.29 | - | - |
| Security deposits received | - | - | 3.00 | - |
| **Droom Finance Tech Private Limited** | | | | |
| Expenses incurred by the Company on behalf of group company | - | 0.37 | 0.15 | 0.31 |
| Other income | - | 0.08 | 0.21 | - |
| Profit on liquidation of the group company | - | 1.42 | - | - |
| Amount received | - | 25.52 | - | - |
| **Xeraphin Finvest Private Limited** | | | | |
| Other income - Miscellaneous income | 1.19 | 5.46 | 0.01 | - |
| Other income - Interest income | 1.02 | 8.80 | 0.04 | - |
| Marketing and promotion expenses | 2.08 | 3.79 | 0.17 | - |
| Loan given | 843.45 | 1,530.31 | 49.32 | - |
| Loan received back | 723.30 | 1,281.39 | 61.78 | - |
| Expenses incurred by the Company on behalf of group company | 0.81 | 0.68 | - | - |

**Outstanding balances as at year end:**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 1 April 2019 |
|---|---|---|---|---|
| **Non-current investments (refer note 5)** | | | | |
| Droom Tech Logistic Private Limited | 20.10 | 20.10 | 20.10 | 20.10 |
| Droom Finance Tech Private Limited | - | - | 22.00 | 22.00 |
| Xeraphin Finvest Private Limited | 56.90 | 56.90 | 56.90 | - |
| Deposit with Droom Finance Tech Private Limited | - | - | 1.00 | 1.00 |
| **Other financial assets (refer note 7)** | | | | |
| Droom Finance Tech Private Limited | - | - | 0.66 | 0.31 |
| Droom Tech Logistic Private Limited | 21.55 | 19.08 | - | 5.14 |
| Xeraphin Finvest Private Limited | 535.40 | 414.47 | 160.27 | - |
| **Trade receivables (refer note 10)** | | | | |
| Xeraphin Finvest Private Limited | 6.03 | 5.88 | - | - |
| **Trade payables (refer note 17)** | | | | |
| Droom Labs Inc. | 2.76 | 2.83 | 2.66 | 3.10 |
| **Other financial liabilities (refer note 18)** | | | | |
| Droom Tech Logistic Private Limited | - | - | 2.97 | - |

**Investment made**

| Particulars | Number of shares held | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|
| Droom Tech Logistic Private Limited | 2,010,000 Equity Shares of INR 10 each | - | - | - | 20.10 |
| Xeraphin Finvest Private Limited | 1,150,000 Equity Shares of INR 10 each | - | - | 56.90 | - |
| Droom Tech Insurance Broking Private Limited | 367,500 Equity Shares of INR 10 each | - | - | 3.19 | 0.49 |
| Droom Finance Tech Private Limited | 2,200,000 Equity Shares of INR 10 each | - | - | - | 22.00 |

**Loans given**

| Particulars | Purpose | Interest Rate (p.a) | Secured/ Unsecured | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 1 April 2019 |
|---|---|---|---|---|---|---|---|
| Droom Tech Logistic Private Limited | Working capital | 12% | Unsecured | 2.47 | 22.08 | - | - |
| Xeraphin Finvest Private Limited | Working capital | 12% | Unsecured | - | - | 116.93 | - |

**35. Employee benefits**

**a) Defined contribution plan**
The Company provide provident fund and employee's state insurance scheme for eligible employees as per applicable regulations where in both employee and the Company make monthly contribution at a specified percentage of the eligible employee's salary. The expense recognised in the Statement of profit and loss during the year towards defined contribution plan is INR 1,704.11.

**b) Defined benefit plan**
The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous services of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proprtionately for 15 days salary multiplied for the number of years of service, subject to maximum limit of INR 2,000 thousand. The present value of the unfunded defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date.

**Details of changes and obligations under the defined benefit plan is given as below:-**

**I Expense recognised in the statement of profit and loss**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| (i) Current service cost | 1.20 | 4.42 | 4.38 | 0.42 |
| (ii) Interet cost | 0.26 | 0.81 | 0.65 | 3.86 |
| **Net expense recognised in the statement of profit and loss** | **1.46** | **5.23** | **5.03** | **4.28** |

**II Remeasurement of (Gain)/ loss recognised in other comprehensive income**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| (i) Acturial changes arising from changes in demographic assumptions | - | - | - | - |
| (ii) Acturial changes arising from changes in financial assumptions | - | 0.19 | 0.43 | 0.07 |
| (iii) Acturial changes arising from changes in experience adjustments | 0.39 | (1.04) | (2.32) | - |
| **Net expense recognised in other comprehensive income** | **0.39** | **(0.85)** | **(1.89)** | **0.07** |

**All amounts in INR millions, except per share data or as otherwise stated**

**III. Reconciliation of the net defined benefit obligation**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| **Balance at the beginning of the year** | **16.47** | **13.53** | **10.39** | **6.04** |
| Current service cost | 1.20 | 4.42 | 4.38 | 0.42 |
| Interest cost | 0.26 | 0.81 | 0.65 | 3.86 |
| Actuarial (gains) losses | | | | |
| - Changes in demographic assumptions | - | - | - | - |
| - Changes in financial assumptions | - | 0.19 | 0.43 | 0.07 |
| - Experience adjustments | 0.39 | (1.04) | (2.32) | - |
| Benefits paid | (0.74) | (1.44) | - | - |
| **Balance at the end of the year** | **17.58** | **16.47** | **13.53** | **10.39** |
| | | | | |
| **Current** | 1.78 | 1.67 | 0.80 | 0.03 |
| **Non-current** | 15.80 | 14.80 | 12.73 | 10.36 |
| | **17.58** | **16.47** | **13.53** | **10.39** |

**IV. Principal actuarial assumptions**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Discount rate | 6% - 7% | 6.00% - 7.00% | 6.25% - 7.00% | 6.00% - 7.00% |
| Expected rate of salary increase | 5% - 10% | 5.00% - 10.00% | 5.00% - 10.00% | 5.00% - 10.00% |
| Retirement age | 60 Years | 60 Years | 60 Years | 60 Years |
| Withdrawal rate | 5% - 20% | 5.00% - 20.00% | 5.00% - 20.00% | 5.00% - 20.00% |
| Mortality table | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 | IALM 2006-08 |

The Company regularly assesses these assumptions with the projected long-term plans and prevelant industry standards.

**V. Quantitative sensitivity analysis for significant assumptions**

The plan typically exposes the Company to actuarial risks such as interest rate, longevity risk and salary risk.

**Interest risk**: A decrease in the bond interest rate will increase the plan liability.

**Longevity risk**: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Impact of increase in discount rate by 1% | 16.68 | 15.64 | 12.85 | 9.89 |
| Impact of decrease in discount rate by 1% | 18.60 | 17.42 | 14.31 | 10.96 |
| Impact of increase in salary by 1% | 18.55 | 17.38 | 14.27 | 10.94 |
| Impact of decrease in salary by 1% | 16.70 | 15.66 | 12.86 | 9.90 |
| Impact of increase in withdrawal rate by 1% | 17.24 | 16.18 | 13.24 | 10.10 |
| Impact of decrease in withdrawal rate by 1% | 17.97 | 16.82 | 13.85 | 10.71 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**VI. Maturity profile of denifed benefit obligation (Undiscounted)**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 1st following year | 1.79 | 1.69 | 0.80 | 0.03 |
| 2nd following year | 0.22 | 0.27 | 0.21 | 0.12 |
| 3rd following year | 0.26 | 0.29 | 0.22 | 0.14 |
| 4th following year | 0.26 | 0.30 | 0.23 | 0.15 |
| 5th following year | 0.26 | 0.28 | 0.23 | 0.15 |
| 6th onwards | 14.81 | 13.64 | 11.86 | 9.82 |
| **Total expected payments** | **17.60** | **16.47** | **13.55** | **10.41** |

**36. Segment information**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance. The Group's Operation predominantly comprises of only one segment. In view of the same, separate segmental information is not required to be given.

In the opinion of the management, there is only one reportable segment as envisaged by Indian Accounting Standard 108, 'Operating Segments' as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Accordingly, no disclosure for segment reporting has been made in the financial statements. Geographical Revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

| **Geographical Revenue** | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 1 April 2019 |
|---|---|---|---|---|
| India | 772.90 | 1,191.41 | 1,546.52 | 1,039.07 |
| Outside India | 17.91 | 61.91 | 175.20 | 320.61 |
| | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |

*Revenue from abroad is earned from Droom Pte Ltd the ultimate holding company on account of Technology support services. During the year ended 31 March 2020 and 31 March 2019 Droom Pte Ltd was a major customer.

**37. Contingent liabilities and commitments (to the extent not provided for)**

a) There are no claims against the Company not acknowledged as debt as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019.
b) The Company does not have any pending litigations which would impact its financial position as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019.
c) The Company does not have any commitments to be executed on capital account as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019.

**All amounts in INR millions, except per share data or as otherwise stated**

**38. Leases**

This note provides information for leases where the Company is a lessee. The Company's lease assets primarily consist of lease of office spaces.

**A. Amounts recognised in the balance sheet**

**Right-of-use assets**

| | Office Space | Total |
|---|---|---|
| **Cost** | | |
| **As at 1 April 2018** | **-** | **-** |
| Additions | 390.23 | 390.23 |
| **As at 31 March 2019** | **390.23** | **390.23** |
| | | |
| **As at 1 April 2019** | **390.23** | **390.23** |
| Additions | 0.55 | 0.55 |
| **As at 31 March 2020** | **390.78** | **390.78** |
| | | |
| **As at 1 April 2020** | **390.78** | **390.78** |
| Additions | 0.33 | 0.33 |
| Less: Termination of lease contract | (168.63) | (168.63) |
| **As at 31 March 2021** | **222.48** | **222.48** |
| | | |
| **As at 1 April 2021** | **222.48** | **222.48** |
| Additions | - | - |
| **As at 30 June 2021** | **222.48** | **222.48** |
| | | |
| **Accumulated depreciation** | | |
| **As at 1 April 2018** | **-** | **-** |
| Amortisation for the year | 16.01 | 16.01 |
| **As at 31 March 2019** | **16.01** | **16.01** |
| | | |
| **As at 1 April 2019** | **16.01** | **16.01** |
| Amortisation for the year | 43.39 | 43.39 |
| **As at 31 March 2020** | **59.40** | **59.40** |
| | | |
| **As at 1 April 2020** | **59.40** | **59.40** |
| Amortisation for the year | 34.03 | 34.03 |
| Less: Termination of lease contract | (35.86) | (35.86) |
| **As at 31 March 2021** | **57.57** | **57.57** |
| | | |
| **As at 1 April 2021** | **57.57** | **57.57** |
| Amortisation for the year | 6.19 | 6.19 |
| **As at 30 June 2021** | **63.76** | **63.76** |
| | | |
| **Net carrying amount** | | |
| **As at 31 March 2019** | **374.22** | **374.22** |
| **As at 31 March 2020** | **331.38** | **331.38** |
| **As at 31 March 2021** | **164.91** | **164.91** |
| **As at 30 June 2021** | **158.70** | **158.70** |

**Lease liabilities**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| **Opening balance** | **190.15** | **355.31** | **374.05** | **-** |
| Additions | - | - | - | 377.92 |
| Interest expense on lease liabilities | 4.05 | 23.41 | 31.47 | 11.97 |
| Payment of lease obligations | (7.84) | (41.31) | (50.21) | (15.84) |
| Derecognition on termination of lease contract | - | (147.26) | - | - |
| **Closing balance** | **186.36** | **190.15** | **355.31** | **374.05** |
| **Current portion** | 25.89 | 25.55 | 45.18 | 40.09 |
| **Non-current portion** | 160.47 | 164.60 | 310.13 | 333.96 |
| **Total** | **186.36** | **190.15** | **355.31** | **374.05** |

**B. Amounts recognised in the Statement of profit and loss**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Amortisation expense on right-of-use assets (refer note 27) | 6.19 | 34.03 | 43.39 | 16.01 |
| Interest expense on lease liabilities (included in finance cost) (refer note 26) | 4.05 | 23.41 | 31.47 | 11.97 |
| Expenses related to short-term leases or low value leases (included in other expenses) | 1.10 | 3.20 | 16.50 | 6.03 |
| Gain on termination of lease contract (included in other income) (refer note 23) | - | 19.22 | - | - |

**C. Amounts recognised in Cash flow statement**

| | For the quarter ended 30 June 2021 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| Cash outflow for leases | 7.84 | 41.31 | 50.21 | 15.84 |

**D. Contractual maturities of lease liabilities on as discounted basis are as given below:**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 1 April 2019 |
|---|---|---|---|---|
| Not later than a year | 25.89 | 25.55 | 45.18 | 40.09 |
| Later than one year and not later than five years | 94.28 | 95.54 | 171.71 | 177.01 |
| Later than five years | 66.17 | 69.05 | 138.42 | 156.95 |
| **Total** | **186.34** | **190.14** | **355.31** | **374.05** |

**Notes:**

When measuring lease liabilities for operating leases, the Company discounted lease payments using its incremental borrowing rate at the date of inception of the leases. The weighted average pre tax rate applied is 8.70% p.a.

During the financial year ended March 31, 2021, the Company abandoned a lease premise as a result of the Company's consolidation of underutilized office premises due to lower requirement in work-from-home model. This led to a termination gain of INR 19.22 Million, which is included under the head 'Other Income'.

**All amounts in INR millions, except per share data or as otherwise stated**

## 39. Share based compensation

### i) Droom Employees' Share Option Plan 2015

Droom Pte Ltd.("The ultimate holding company") has granted options under share Option Plan (the "2015 Plan") to the employees of the Company. On 12 February, 2015, the Group established the 2015 Plan which will act as a share incentive scheme that would provide an opportunity for executive directors and eligible employees of the Company to participate in the equity of the Company.

The Company does not have the recharge agreement with Droom Pte Ltd., and also obligation for cash settlement of awards to the employees is with the ultimate holding company through buy-back. Therefore, the Company does not have any obligation to payback the amount accrued for these awards. As per Ind AS 102, the awards given to the employees of the Company with these terms are classified as equity settled awards by the Company. The Group recognizes and measures compensation expense for all share-based awards based on the grant date fair value as per Ind AS 102 on Share Based Payments. The grant date fair value is determined under the option-pricing model (Black-Scholes).

The key terms and conditions related to the grants under these programmes are as follows:

**Vesting Condition:**
Vesting of options would be subject to continued employment.

**Vesting Period:**
The Company has issued above options with graded vesting with vesting period ranging from 0 to 4 years.

**Exercise Period:**
Award would expire at the end of 10 years from the date of grant of award

### ii) Reconciliation of outstanding share options

The following table represents the number and weighted-average exercise prices of and movement in share options during the year:

| Particulars | 30 June 2021 | | 31 March 2021 | | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | Number of options | Weighted average exercise price (In INR) | Number of options | Weighted average exercise price (In INR) | Number of options | Weighted average exercise price (In INR) | Number of options | Weighted average exercise price (In INR) |
| **Outstanding as at the beginning of the period/ year** | **15,95,214** | **-** | **9,84,166** | **34.76** | **10,44,655** | 32.84 | **12,15,218** | **19.20** |
| Granted during the period/ year | 75,193 | 78.79 | 10,30,700 | 34.76 | 1,09,400 | 67.04 | 3,85,350 | 66.39 |
| Forfeited during the period/ year | (56,571) | 57.95 | (4,19,652) | 91.36 | (1,69,235) | 60.61 | (5,23,914) | 29.14 |
| Exercised during the period/ year | - | - | - | 35.76 | (654) | 67.38 | (31,999) | 22.66 |
| **Outstanding as at the end of the period/ year** | **16,13,836** | **78.79** | **15,95,214** | **-** | **9,84,166** | **34.76** | **10,44,655** | **32.84** |
| **Vested options outstanding at the end of the year (Exercisable)** | **6,43,589** | **43.34** | **15,95,214** | **70.14** | **7,72,873** | **24.93** | **6,32,008** | **14.07** |

The share options outstanding as at 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019 had a weighted average remaining contractual life of 7.53 years, 7.61 years, 5.61 years and 6.69 years, respectively.

### iii) Range of exercise price for share options outstanding at the end of the year:

| Particulars | As at 30 June 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31st March 2019 | |
|---|---|---|---|---|---|---|---|---|
| Exercise price (Amount in USD) | Exercise price (INR) | Number of options | Exercise price (INR) | Number of options | Exercise price (INR) | Number of options | Exercise price (INR) | Number of options |
| USD 0.10 | 7.43 | 1,78,882 | 7.35 | 1,95,824 | 7.53 | 4,37,103 | 6.92 | 4,39,754 |
| USD 0.35 | 26.02 | 1,44,219 | 25.73 | 1,33,402 | 26.36 | 1,51,832 | 24.21 | 1,68,931 |
| USD 0.55 | 40.89 | 48,753 | 40.43 | 51,253 | 41.43 | 54,113 | 38.04 | 53,206 |
| USD 0.95 | 70.63 | 2,98,156 | 69.83 | 3,01,885 | 71.56 | 3,29,518 | 65.71 | 3,82,764 |
| USD 1.25 | 92.93 | 9,43,826 | 91.88 | 9,12,850 | 94.16 | 11,600 | 86.46 | - |

iv) The weighted average fair value of options granted during the period ended 30 June 2021, 31 March 2021, 31 March 2020 and 31 March 2019 was INR 1,847.03 per option, INR 1,115.63 per option, INR 677.64 per option and INR 425.60 per option, respectively.

### v) Expense arising from equity settled share based payment transactions

| | For the quarter ended 30 June 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|---|---|
| Expenses recognised in the standalone statement of profit and loss (INR equivalent) | 196.25 | 284.52 | 50.33 | 70.20 |

### vi) The estimation of fair value on date of grant was made using the Black Scholes model with the following assumptions:

| **Inputs for measurement of grant date fair values** | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Exercise price- (in USD) | 0.35 - 1.25 | 0.35 - 1.25 | 0.55 - 1.25 | 0.95 - 0.95 |
| Fair value at grant date- (in USD) | 24.85 - 25.69 | 7.91 - 25.69 | 9.30 - 9.87 | 5.90 - 6.79 |
| Exercise price- (in INR) | 25.81 - 92.16 | 25.94 - 92.63 | 39.01 - 88.65 | 66.39 - 66.39 |
| Fair value at grant date- (in INR) | 1,832.33 - 1,894.02 | 586.44 - 1,903.61 | 659.70 - 699.82 | 412.27 - 474.55 |
| Expected volatility (Standard Deviation - Annual) | 60.78% | 53.23% - 61.34% | 57.12% - 57.70% | 56.47% - 57.73% |
| Risk free rate | 0.87% | 0.31% - 1.11% | 1.46% - 2.42% | 2.23% - 3.13% |
| Dividend yield | Nil | Nil | Nil | Nil |
| Expected average life of options (in years) | 5.67 | 6.05 | 6.08 | 6.08 |

**Method used for accounting for share-based payment plan**
The Holding Company has used the fair value method to account for the compensation cost of stock options to employees of the Company. Fair value is the estimated call option value based on Black Scholes Merton (BSM) model which factors in the stock price, exercise price, expected term, expected volatility, expected risk free rate, and expected dividend in the analysis.

## 40. Corporate Social Responsilibilty (CSR)

The requirements of section 135 of the Companies Act, 2013 related to Corporate Social Responsibility is not applicable to the Company.

## 41. Ratios as per Schedule III requirements

### a) Current ratio = Current assets divided by Current liabilities

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Current assets | 1,437.15 | 870.90 | 846.24 | 716.72 |
| Current liabilities | 685.90 | 738.13 | 447.34 | 200.57 |
| **Ratio** | **2.10** | **1.18** | **1.89** | **3.57** |
| **%age change from previous year** | **78%** | **-38%** | **-47%** | |

**Reason for change more than 25%:**
This ratio has decreased from 3.57 as at 31 March 2019 to 1.89 as at 31 March 2020 and further to 1.18 as at 31 March 2021 mainly due to increase in short term borrowings for working capital requirments. The ratio has increased from 1.18 as at 31 March 2021 to 2.10 as at 30 June 2021 mainly due to increase in cash and cash equivalents and investment in mutual funds due to higher cash flows generated from issuance of equity capital during the period ended 30 June 2021.

### b) Debt equity ratio = Total Debt divided by Total equity

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Total debt | 301.79 | 518.49 | 315.59 | 6.21 |
| Total equity | 803.90 | 189.18 | 592.64 | 741.05 |
| **Ratio** | **0.38** | **2.74** | **0.53** | **0.01** |
| **%age change from previous year** | **-86%** | **415%** | **6251%** | |

**Reason for change more than 25%:**
This ratio has increased from 0.01 as at 31 March 2019 to 0.53 as at 31 March 2020 and further 2.74 as at 31 March 2021 mainly due to increase in borrowings for working capital requirments. The ratio has decreased from 2.74 as at 31 March 2021 to 0.38 as at 30 June 2021 mainly due to increase from issuance of capital during the period ended 30 June 2021.

**All amounts in INR millions, except per share data or as otherwise stated**

**c) Debt service coverage ratio = Earnings available for debt services divided by Total interest and principal payments**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Loss after tax* | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Add : Non cash operating expenses and finance cost | | | | |
| - Depreciation and amortisation* | 9.04 | 44.80 | 54.72 | 24.38 |
| - Finance cost* | 8.77 | 55.97 | 45.79 | 12.00 |
| **Earnings available for debt services** | **(308.04)** | **(588.07)** | **(795.52)** | **(1,017.32)** |
| Interest cost on borrowings* | 4.72 | 32.53 | 14.31 | 0.03 |
| Principal repayments and lease payments | 8.37 | 47.54 | 52.08 | 15.84 |
| **Total Interest and principal repayments** | **13.09** | **80.07** | **66.39** | **15.87** |
| **Ratio** | **(23.54)** | **(7.34)** | **(11.98)** | **(64.11)** |
| **% Change from previous period/year** | **-220%** | **39%** | **81%** | |

**Reason for change more than 25%:**
This ratio has increased from (64.11) as at 31 March 2019 to (11.98) as at 31 March 2020 and further to (7.32) as at 31 March 2021 mainly due to decrease in losses. This ratio has decreased from (7.34) as at 31 March 2021 to (23.54) as at 30 June 2021 mainly due to increase in losses in three months period compared with full year.

* Loss after tax, depreciation and amortization, finance costs and interest cost on borrowings for the quarter ended 30 June 2021 were not annualized.

**d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Loss after tax* | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Total Equity | 803.90 | 189.18 | 592.64 | 741.05 |
| **Ratio** | **-41%** | **-364%** | **-151%** | **-142%** |
| **% Change from previous period/year** | **89%** | **-141%** | **-6%** | |

**Reason for change more than 25%:**
The loss margin has increased from 151% as at 31 March 2020 to 364% as at 31 March 2021 mainly due to increase in accumulated losses and no further capital infusion in the company. Further, the loss margin has decreased from 364% as at 31 March 2021 to 41% as at 30 June 2021 mainly due to infusion of capital in three month period ended 30 June 2021.

* Loss after tax for the quarter ended 30 June 2021 was not annualized.

**e) Inventory Turnover Ratio = Cost of material consumed divided by closing inventory**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Material consumed | 0.02 | 18.14 | - | - |
| Changes in inventory | (0.21) | (4.76) | - | - |
| **Cost of material consumed** | **(0.18)** | **13.38** | **-** | **-** |
| **Closing Inventory** | **4.97** | **4.76** | **-** | **-** |
| **Ratio** | **-0.04** | **2.81** | **-** | **-** |
| **% Change from previous period/year** | **-101%** | **-** | **-** | **-** |

**Reason for change more than 25%:**
This ratio has decreased from 2.81 as at 31 March 2021 to -0.04 as at 30 June 2021 mainly due deacrease in sale of inventory in said period.

**f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Credit Sales* | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |
| Closing Trade Receivables (excluding unbilled receivables) | 60.29 | 41.97 | 121.83 | 226.65 |
| **Ratio** | **13.12** | **29.86** | **14.13** | **6.00** |
| **% Change from previous period / year** | **-56%** | **111%** | **136%** | |

**Reason for change more than 25%:**
This ratio has increased from 6.00 as at 31 March 2019 to 14.13 as at 31 March 2020 and further to 29.86 as at 31 March 2021 mainly due to better management of its collection from trade receivables as compared to respective years. This ratio has decreased from 29.86 as at 31 March 2021 to 13.12 as at 30 June 2021 mainly due to increase in debtors and significant credit sales in three months period compared with full year.

*Credit sales for the quarter ended 30 June 2021 was not annualized
Credit Sales includes selling service fee where post sales, the Company has a right to adjust the advance received from end user with the selling service fee due from merchant on the completion of the transaction.

**g) Trade payables turnover ratio = Credit purchases divided by closing stock**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Credit Purchases* | - | - | - | - |
| Closing Trade Payables | 327.42 | 178.69 | 33.53 | 79.61 |
| **Ratio** | **-** | **-** | **-** | **-** |
| **% Change from previous period / year** | **-** | **-** | **-** | |

*Credit purchase was nil for the periods reported.

**h) Net working capital Turnover Ratio = Sales divided by Net Working capital where net working capital = current assets - current liabilities**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Revenue from operations* | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |
| Net working capital | 751.25 | 132.77 | 398.90 | 516.15 |
| **Ratio (Times)** | **1.05** | **9.44** | **4.32** | **2.63** |
| **% Change from previous period / year** | **-89%** | **119%** | **64%** | |

**Reason for change more than 25%:**
This ratio has increased from 2.63 as at 31 March 2019 to 4.32 as at 31 March 2020 mainly due to increase in revenue. This ratio has increased from 4.32 as at 31 March 2020 to 9.44 as at 31 March 2021 mainly due to significant decrease in working capital as compared to decrease in revenue from operation. The ratio has decreased from 9.44 as at 31 March 2021 to 1.05 as at 30 June 2021 mainly due increase in working capital because of equity capital infusion in three month period and revenue from operation being for 3 months not annualized.

*Revenue from operation for the quarter ended 30 June 2021 was not annualized.

**i) Net profit ratio = Net profit after tax divided by Sales**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Loss after tax* | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Revenue from operations* | 790.81 | 1,253.32 | 1,721.72 | 1,359.68 |
| **Ratio** | **-41.2%** | **-55.0%** | **-52.0%** | **-77.5%** |
| **% Change from previous period / year** | **25%** | **-6%** | **33%** | |

**Reason for change more than 25%:**
* Loss after tax and revenue from operations for the quarter ended 30 June 2021 were not annualized.
The loss margin has decreased from 77.5% as at 31 March 2019 to 52% as at 31 March 2020 mainly due to increase in revenue. The loss margin has decreased from 55% as at 31 March 2021 to 41.2% as at 30 June 2021 mainly due to revenue from operation being for 3 months not annualized.

**All amounts in INR millions, except per share data or as otherwise stated**

**j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed**

| | As at 30 June 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| Loss before tax* (A) | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Finance costs* (B) | 8.77 | 55.97 | 45.79 | 12.00 |
| Other income* (C) | (19.70) | (101.91) | (91.96) | (101.43) |
| **EBIT (D) = (A)+(B)-(C)** | **(336.78)** | **(734.77)** | **(942.20)** | **(1,143.13)** |
| **Capital Employed (H)=(E)+(F)-(G)** | **1,286.85** | **891.97** | **1,257.04** | **1,121.31** |
| Total equity (E) | 803.90 | 189.18 | 592.64 | 741.05 |
| Borrowings (including lease liabilities) (F) | 488.15 | 708.64 | 670.90 | 380.26 |
| Intangible assets (G) | 5.20 | 5.85 | 6.50 | - |
| **Ratio (D)/(H)** | **(0.26)** | **(0.82)** | **(0.75)** | **(1.02)** |
| **% Change from previous period / year** | **68%** | **-10%** | **26%** | |

**Reason for change more than 25%:**
This ratio has increased from (1.02) as at 31 March 2019 to (0.75) as at 31 March 2020 mainly due to higher losses in March 2020 with increase in capital employed and decrease in losses compared to previous year. This ratio has increased from (0.82) as at 31 March 2021 to (0.26) as at 30 June 2021 mainly due to increase in losses in three months period compared with full year.

* Loss after tax, other income and finance costs for the quarter ended 30 June 2021 were not annualized.

**42. Business Combination**

On 12 December 2018, the Group, entered into an agreement to acquire shareholding in a Xeraphin Finvest Private Limited which got consummated on 19 March 2020. The acquisition enhances Group's capability for extending a wide array of financial services, such as vehicle financing to end-users and working capital financing to dealers/merchants. The total purchase price for the acquisition amounted to INR 56.90 million and was paid on the closing date. In connection with the acquisition, the Group recognized INR 6.50 million in license related intangible assets representing difference between purchase price and net assets amounting to INR 50.40 million and no goodwill resulted at acquisition. The results of operations of the acquired business and the fair value of the acquired assets and assumed liabilities are included in the Group's restated consolidated financial information with effect from the date of the acquisition.

**43. First time adoption of Ind AS**

As stated in Note 2, these financial statements for the year ended 31 March 2021 are the first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2020, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 and other provisions of the Act. (Previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2021, together with the comparative period data as at and for the year ended 31 March 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2019, the Group's date of transition to Ind AS.

The restated consolidated financial information as at 01 April 2018 and for the year ended 31 March 2019 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. April 1, 2019) following accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS . This is in accordance with requirements of SEBI Circular No.- SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 and Guidance Note On Reports in Company Prospectuses issued by ICAI, as amended/revised. Also refer note 2.1.

This note explains exemptions availed by the Group in restating its Previous GAAP financial statements, including the balance sheet as at 01 April 2018 and the financial statements as at and for the year ended 31 March 2019 and 31 March 2020.

**I. Ind AS Mandatory exceptions applied:**

**a) Estimates**
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019 and 31 March 2020 are consistent with the estimates as at the same date made in confirmity with the previous GAAP.

**b) Classification and measurement of financial assets**
Ind AS 101 requires an entity to assess the classification and measurement of financial assets on the basis of facts and circumstances that exists at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition to Ind AS if retrospective application is impracticable.

Accordingly, the Group has determined the classification and measurement of financial assets at amortised cost based on the facts and circumstances that exist as on the date of transition.

**c) De-recognition of financial assets and liabilities**
Ind AS 101 requires an entity to apply de- recognition provisions of Ind AS prospectively for the transactions occuring on or after the date of transition to Ind AS. However, Ind AS 101 allows an entity to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accoutning for those transactions.

The Group has elected to apply de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**d) Impairment of financial assets**
At the date of transition to Ind AS, the Group has determined that there is no increase in credit risk since the initial recognition of a financial instrument.

**II. Ind AS optional exemption applied:**
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**a) Deemed cost**
Ind AS 101 permits a first- time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Group has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**II. Statement of reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table presents the reconciliation from previous GAAP to Ind AS.

**All amounts in INR millions, except per share data or as otherwise stated**

**a) Reconciliation of equity as at 1 April 2018**

| Particulars | Previous GAAP# (regrouped) | Ind AS adjustments | Ind AS* |
|---|---|---|---|
| **Assets** | | | |
| **Non- current assets** | | | |
| Property, plant and equipment | 22.99 | - | 22.99 |
| Financial assets | | | |
| Other financial assets (refer note 3) | 18.68 | - | 18.68 |
| **Total non-current assets** | **41.67** | **-** | **41.67** |
| **Current assets** | | | |
| Financial assets | | | |
| Current investments (refer note 2) | 837.00 | 30.58 | 867.58 |
| Trade receivables (refer note 6) | 95.32 | (3.16) | 92.16 |
| Cash and cash equivalents | 70.28 | - | 70.28 |
| Other bank balance | 2.66 | - | 2.66 |
| Other financial assets | 7.54 | - | 7.54 |
| Other current assets | 2.43 | - | 2.43 |
| **Total current assets** | **1,015.23** | **27.42** | **1,042.65** |
| **TOTAL ASSETS** | **1,056.90** | **27.42** | **1,084.32** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 5.88 | - | 5.88 |
| Other equity (refer note 1, 2, 3, 4, 5 and 6) | 878.81 | 27.42 | 906.23 |
| **Total equity** | **884.69** | **27.42** | **912.11** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Provisions | 6.02 | - | 6.02 |
| | **6.02** | **-** | **6.02** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 56.73 | - | 56.73 |
| Other financial liabilities | 109.44 | - | 109.44 |
| Provisions | 0.02 | - | 0.02 |
| **Total current liabilities** | **166.19** | **-** | **166.19** |
| **Total liabilities** | **172.21** | **-** | **172.21** |
| **Total equity and liabilities** | **1,056.90** | **27.42** | **1,084.32** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**b) Reconciliation of equity as at 31 March 2019 (date of transition to Ind AS)**

| Particulars | Previous GAAP# (regrouped) | Ind AS adjustments | Ind AS* |
|---|---|---|---|
| **Assets** | | | |
| **Non- current assets** | | | |
| Property, plant and equipment | 41.11 | - | 41.11 |
| Right of use asset (refer note 1 and 3) | - | 374.22 | 374.22 |
| Financial assets | | | |
| Non-current investments | 6.45 | - | 6.45 |
| Loans (refer note 6) | 186.52 | (52.35) | 134.17 |
| Other financial assets (refer note 3) | 22.80 | (12.01) | 10.79 |
| Non-current tax assets | 3.40 | - | 3.40 |
| Other non-current assets | 3.43 | - | 3.43 |
| **Total non-current assets** | **263.71** | **309.86** | **573.57** |
| **Current assets** | | | |
| Financial assets | | | |
| Current investments (refer note 2) | 234.51 | 9.47 | 243.98 |
| Loans (refer note 6) | 123.03 | (34.53) | 88.50 |
| Trade receivables (refer note 6) | 228.18 | (1.53) | 226.65 |
| Cash and cash equivalents | 109.66 | - | 109.66 |
| Other bank balance | 2.83 | - | 2.83 |
| Other financial assets | 27.99 | - | 27.99 |
| Other current assets | 16.97 | - | 16.97 |
| Current tax assets, net | 0.14 | - | 0.14 |
| **Total current assets** | **743.31** | **(26.59)** | **716.72** |
| **TOTAL ASSETS** | **1,007.02** | **283.27** | **1,290.29** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 8.68 | - | 8.68 |
| Other equity (refer note 1, 2, 3, 4, 5 and 6) | 819.84 | (87.47) | 732.37 |
| **Total equity** | **828.52** | **(87.47)** | **741.05** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 4.34 | - | 4.34 |
| Lease liabilities (refer note 1) | - | 333.96 | 333.96 |
| Provisions | 10.37 | - | 10.37 |
| Other non-current liabilities (refer note 1) | 3.31 | (3.31) | - |
| | **18.02** | **330.65** | **348.67** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 1.87 | - | 1.87 |
| Lease liabilities (refer note 1) | 0.00 | 40.09 | 40.09 |
| Trade payables | 79.61 | - | 79.61 |
| Other financial liabilities | 68.89 | - | 68.89 |
| Other current liabilities | 7.59 | - | 7.59 |
| Contract liabilities | 2.38 | - | 2.38 |
| Provisions | 0.14 | - | 0.14 |
| **Total current liabilities** | **160.48** | **40.09** | **200.57** |
| **Total liabilities** | **178.50** | **370.74** | **549.24** |
| **Total equity and liabilities** | **1,007.02** | **283.27** | **1,290.29** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**All amounts in INR millions, except per share data or as otherwise stated**

**c) Reconciliation of total comprehensive income for the year ended 31 March 2019**

| **Particulars** | **Previous GAAP# (regrouped)** | **Ind AS adjustments** | **Ind AS*** |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 1,359.68 | - | 1,359.68 |
| Other income (refer note 3) | 101.09 | 0.34 | 101.43 |
| **Total income** | **1,460.77** | **0.34** | **1,461.11** |
| **Expenses** | | | |
| Service cost | 24.54 | - | 24.54 |
| Employee benefit expenses (refer note 4 and 5) | 755.72 | (348.24) | 407.48 |
| Finance cost (refer note 1) | 0.03 | 11.97 | 12.00 |
| Depreciation and amortization expenses (refer note 1, 3) | 8.37 | 16.01 | 24.38 |
| Other expenses (refer note 1, 2 and 6) | 1,958.85 | 87.21 | 2,046.06 |
| **Total expenses** | **2,747.50** | **(233.05)** | **2,514.46** |
| **Loss before tax and equity-method investment activity** | **(1,286.73)** | **233.39** | **(1,053.35)** |
| **Equity method investment activity, net** | 0.15 | - | 0.15 |
| **Loss before tax** | **(1,286.88)** | **233.39** | **(1,053.50)** |
| **Tax expense** | | | |
| Current tax | 0.20 | - | 0.20 |
| Deferred tax | - | - | - |
| **Total tax expense** | **0.20** | **-** | **0.20** |
| **Loss for the year** | **(1,287.08)** | **233.39** | **(1,053.70)** |
| **Other comprehensive income (refer note 4)** | - | (0.07) | **(0.07)** |
| **Total comprehensive loss for the year** | **(1,287.08)** | **233.32** | **(1,053.77)** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**All amounts in INR millions, except per share data or as otherwise stated**

**d) Reconciliation of equity as at 31 March 2020**

| Particulars | Previous GAAP# (regrouped) | Ind AS adjustments | Ind AS |
|---|---|---|---|
| **Assets** | | | |
| **Non- current assets** | | | |
| Property, plant and equipment | 35.52 | - | 35.52 |
| Intangible assets | 6.50 | - | 6.50 |
| Right of use asset (refer note 1 and 3) | - | 331.38 | 331.38 |
| Financial assets | | | |
| Non-current investments | 3.45 | - | 3.45 |
| Loans (refer note 6) | 184.53 | (64.18) | 120.35 |
| Other financial assets (refer note 3) | 23.83 | (11.53) | 12.30 |
| Deferred tax assets, net | - | - | - |
| Non-current tax assets | 8.95 | - | 8.95 |
| Other non-current assets | 0.09 | - | 0.09 |
| **Total non-current assets** | **262.87** | **255.67** | **518.54** |
| **Current assets** | | | |
| Financial assets | | | |
| Current investments (refer note 2) | 517.19 | 21.61 | 538.80 |
| Loans (refer note 6) | 116.98 | (18.60) | 98.39 |
| Trade receivables (refer note 6) | 134.92 | (13.08) | 121.83 |
| Cash and cash equivalents | 68.23 | - | 68.23 |
| Other bank balance | 3.08 | - | 3.08 |
| Other financial assets | 12.96 | - | 12.96 |
| Other current assets | 2.95 | - | 2.95 |
| **Total current assets** | **856.31** | **(10.07)** | **846.24** |
| **TOTAL ASSETS** | **1,119.18** | **245.60** | **1,364.78** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 11.03 | - | 11.03 |
| Other equity (refer note 1, 2, 3, 4, 5 and 6) | 684.06 | (102.45) | 581.61 |
| **Total equity** | **695.09** | **(102.45)** | **592.64** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 1.94 | - | 1.94 |
| Lease liabilities (refer note 1) | - | 310.13 | 310.13 |
| Provisions | 12.73 | - | 12.73 |
| Other non-current liabilities (refer note 1) | 7.26 | (7.26) | - |
| | **21.93** | **302.87** | **324.80** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 313.65 | - | 313.65 |
| Lease liabilities (refer note 1) | - | 45.18 | 45.18 |
| Trade payables | 33.53 | - | 33.53 |
| Other financial liabilities | 45.93 | - | 45.93 |
| Other current liabilities | 6.26 | - | 6.26 |
| Contract liabilities | 1.41 | - | 1.41 |
| Provisions | 1.38 | - | 1.38 |
| **Total current liabilities** | **402.16** | **45.18** | **447.34** |
| **Total liabilities** | **424.09** | **348.05** | **772.14** |
| **Total equity and liabilities** | **1,119.18** | **245.60** | **1,364.78** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**e) Reconciliation of total comprehensive income for the year ended 31 March 2020**

| Particulars | Previous GAAP# (regrouped) | Ind AS adjustments | Ind AS |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 1,721.72 | - | 1,721.72 |
| Other income (refer note 2, 3) | 78.83 | 13.13 | 91.96 |
| **Total income** | **1,800.55** | **13.13** | **1,813.68** |
| **Expenses** | | | |
| Service cost | 29.41 | - | 29.41 |
| Employee benefit expenses (refer note 4 and 5) | 419.34 | 52.22 | 471.56 |
| Finance cost (refer note 1) | 14.32 | 31.47 | 45.79 |
| Depriciation and amortization expenses (refer note 1, 3) | 11.33 | 43.39 | 54.72 |
| Other expenses (refer note 1, 3 and 6) | 2,154.58 | (47.09) | 2,107.49 |
| **Total expenses** | **2,628.98** | **79.99** | **2,708.97** |
| **Loss before tax and equity-method investment activity** | **(828.44)** | **(66.86)** | **(895.29)** |
| **Equity method investment activity, net** | 0.08 | - | 0.08 |
| **Loss before tax** | **(828.52)** | **(66.86)** | **(895.37)** |
| **Tax expense** | | | |
| Current tax | 0.67 | - | 0.67 |
| Deferred tax | (0.01) | - | (0.01) |
| **Total tax expense** | **0.66** | **-** | **0.66** |
| **Loss for the year** | **(829.19)** | **(66.86)** | **(896.03)** |
| **Other comprehensive income (refer note 4)** | - | 1.89 | **1.89** |
| **Total comprehensive loss for the year** | **(829.19)** | **(64.97)** | **(894.14)** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**All amounts in INR millions, except per share data or as otherwise stated**

**e) Impact of Ind AS adoption on the cash flow statement for the year ended 31 March 2020**

| | Previous GAAP# (regrouped) | Ind AS adjustments | Ind AS |
|---|---|---|---|
| Net cash used in operating activities | (792.11) | 68.23 | (723.88) |
| Net cash flow from investing activities | (255.71) | (2.13) | (257.84) |
| Net cash used in financing activities | 1,006.65 | (66.36) | 940.29 |
| **Net increase/ (decrease) in cash and cash equivalents** | **(41.17)** | **(0.26)** | **(41.43)** |
| Cash and cash equivalents as at 1 April 2019 | 112.49 | (2.83) | 109.66 |
| **Cash and cash equivalents as at 31 March 2020** | **71.32** | **(3.09)** | **68.23** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**f) Impact of Ind AS adoption on the cash flow statement for the year ended 31 March 2019**

| | Previous GAAP# (regrouped) | Ind AS adjustments | Ind AS* |
|---|---|---|---|
| Net cash used in operating activities | (1,441.59) | 10.16 | (1,431.43) |
| Net cash flow from investing activities | 620.73 | 47.57 | 668.30 |
| Net cash used in financing activities | 818.38 | (15.87) | 802.51 |
| **Net increase/ (decrease) in cash and cash equivalents** | **(2.48)** | **41.86** | **39.38** |
| Cash and cash equivalents as at 1 April 2018 | 70.28 | - | 70.28 |
| **Cash and cash equivalents as at 31 March 2019** | **67.80** | **41.86** | **109.66** |

# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
* Restated as per ICDR Regulations read with ICAI's Guidance Note on Reports in Company Prospectuses – Prepared after making suitable Ind AS restatement adjustments to the accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2019) following accounting policies consistent with that used at the date of transition to Ind AS. Also refer to Note 2.1

**Note 1: Leases**
Under Ind AS, all lease contracts, with limited exceptions for short-term and low value assets, are recognised in the financial statements by way of right of use assets and corresponding lease liabilities. This resulted in recognition of "Right-of-use assets (ROU)" and a corresponding "lease liability". The rental expenses recognised in the statement of profit and loss for the year ended 31 March 2020 and 31 March 2019 under previous GAAP has been replaced by the recognition of amortisation expense on ROU assets and interest expense on lease liability. The related impact on Other equity, Balance sheet and Statement of profit and loss is given below:

| **Impact of Ind AS adjustment** | As at 31 March 2020 | As at 1 April 2019 | As at 1 April 2018 |
|---|---|---|---|
| **Balance sheet** | | | |
| Right of use assets | 319.85 | 362.21 | - |
| Lease liabilities - Non-current | (310.13) | (333.96) | - |
| Lease liabilities - current | (45.18) | (40.09) | - |
| Other non-current liabilities (reversal of lease equivalisation reserve) | 7.26 | 3.31 | - |
| Other equity | (28.20) | (8.53) | - |

| **Statement of profit and loss** | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Depreciation and amortisation expenses | 41.99 | 15.51 |
| Interest expense on lease liabilities | 31.47 | 11.97 |
| Other expenses | (54.15) | (19.15) |

**Note 2: Fair valuation of investments in mutal funds**
Under previous GAAP, current investments in mutual funds are carried in the financial statements at lower of cost and fair value at each reporting date. Under Ind AS, Investments in mutual funds are measured at fair value through profit and loss at each reporting date. The related impact on Other equity, Balance sheet and Statement of profit and loss is given as below.

| **Impact of Ind AS adjustment** | As at 31 March 2020 | As at 1 April 2019 | As at 1 April 2018 |
|---|---|---|---|
| **Balance sheet** | | | |
| Other equity | 21.61 | 9.47 | 30.58 |
| Current investments | 21.61 | 9.47 | 30.58 |

| **Statement of profit and loss** | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Other income - Fair value gain on mutual funds | 12.14 | - |
| Other expense - Fair value loss on mutual funds | - | 21.11 |

**Note 3: Security deposits**
Under previous GAAP, the Group recognised interest free deposit at transaction value, however under Ind AS, the security deposits are required to be recognised at fair value. The difference between the present value and the principal amount of the deposit paid for the lease assets at inception to be accounted for as deferred lease assets, which would be recognised as an expense on a straight line basis over lease term. Correspondingly, there will be interest income accrued on the discounted value of deposits. Other deposits are payable on demand and have no contractual period, hence there are no previous GAAP differences for other deposits. The related impact on Other equity, Balance sheet and Statement of profit and loss is given as below.

| **Impact of Ind AS adjustment** | As at 31 March 2020 | As at 1 April 2019 | As at 1 April 2018 |
|---|---|---|---|
| **Balance sheet** | | | |
| Other non-current financial assets | (11.53) | (12.01) | - |
| Right-of-use assets | 11.53 | 12.01 | - |

| **Statement of profit and loss** | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Other income | 0.99 | 0.34 |
| Depreciation and amortisation expense | 1.40 | 0.51 |

**Note 4: Remeasurement of net defined benefit liability**
Under previous GAAP, actuarial gain/ losses arising on remeasurement of net defined benefit liability were recognised as part of gratuity expenses under the head employee benefit expenses, however, under Ind AS, the actuarial gain/ losses arising on remeasurement of net defined benefit liability are required to be recognised under other comprehensive income instead of statement of profit and loss. Further, such actuarial gain/ losses will not be reclassified subsequently to profit and loss. There is no impact of such adjustment in Other equity and Balance sheet. The related impact on Statement of profit and loss is given below:

| **Balance sheet** | As at 31 March 2020 | As at 1 April 2019 | As at 1 April 2018 |
|---|---|---|---|
| Other equity - Accumulated deficit | (1.49) | 0.40 | 0.33 |
| Other equity - Other comprehensive income | 1.49 | (0.40) | (0.33) |

| **Statement of profit and loss** | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Employee benefit expenses | 1.89 | (0.07) |
| Other comprehensive income | (1.89) | 0.07 |

**All amounts in INR millions, except per share data or as otherwise stated**

**Note 5: Group share based payments**
Under the previous GAAP, share options given by holding company to the employees of the Company were accounted basis the liabilities classification of awards at the holding company level. However, under Ind AS, the accounting of share options is performed basis the equity classification of awards at the company level since there is no recharge agreement is being entered between the Company and the holding company and the vested options are settled by the holding company. The related impact of such adjustment in given below:

| Balance sheet | As at 31 March 2020 | As at 1 April 2019 | As at 1 April 2018 |
|---|---|---|---|
| Other equity - Accumulated deficit | 297.84 | 348.17 | - |
| Other equity - Employee stock option reserve | (297.84) | (348.17) | - |

| Statement of profit and loss | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Employee benefit expenses | 50.33 | (348.17) |

**Note 6: Expected credit loss**
As per Ind AS, the Group is required to apply Expected credit loss model (ECL) for recognizing loss allowance for doubtful loans and receivables. The related impact is given below.

| Balance sheet | As at 31 March 2020 | As at 1 April 2019 | As at 1 April 2018 |
|---|---|---|---|
| Loans | (82.78) | (86.88) | - |
| Trade receivables | (13.08) | (1.53) | (3.16) |
| Other equity - Accumulated deficit | (95.86) | (88.41) | (3.16) |

| Statement of profit and loss | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Other expenses | 7.06 | 85.25 |

**44. Restatement adjustments**

Summarized below are the restatement adjustments made to the audited financial statements for the years ended 31 March 2020 and 31 March 2019 and their impact on the loss of the Company.

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Net loss as per the audited financial statements prepared under previous GAAP (A)** | **(688.83)** | **(829.19)** | **(1,287.08)** |
| **Ind AS adjustments** | | | |
| Impact of Ind AS 116 - Leases | - | 19.31 | 8.33 |
| Fair valuation of investment in mutual funds | - | (12.14) | 21.11 |
| Employee stock option plan | - | 50.33 | (348.17) |
| Expected credit loss on loans and trade receivables | - | 7.06 | 85.25 |
| Security deposit measured at amortized cost | - | 0.40 | 0.17 |
| Actuarial gain/ loss reclassification | - | 1.89 | (0.07) |
| **Total Ind AS adjustments (B)** | **-** | **66.85** | **(233.38)** |
| **Net loss as per Ind AS (A-B)** | **(688.83)** | **(896.03)** | **(1,053.70)** |
| **Adjustments** | | | |
| Material Restatement Adjustments | - | - | - |
| Audit Qualifications | - | - | - |
| Other adjustments | - | - | - |
| **Total (D)** | **-** | **-** | **-** |
| **Total impact of restatement qualifications (E)** | **-** | **-** | **-** |
| **Net loss as restated (C+E)** | **(688.83)** | **(896.03)** | **(1,053.70)** |

There were no Ind AS adjustment for the year ended 31 March 2021 as the financial statements has been prepared under Ind AS.

**Notes to adjustments**
**1. Adjustment for audit qualifications**: None (also refer note 2 below for non-adjusted items)

**2. Non adjusted Items**

**Auditor's Comment in Company Auditor's Report Order**
Statutory Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies act, 2013 of India for Financial Year 2020-21

**Annexure to Auditor's Report for the Financial Year ended 31 March 2021**
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Cess and other statutory dues have been regularly deposited with the appropriate authorities except there have been slight delays in a few cases in respect of deposit of Goods and Service Tax and Employee' State Insurance.

**45. Impact of outbreak of COVID-19**
The Company has considered the possible effects that may result from pandemic relating to COVID-19 on its financial position and based on its assessment, the Company concluded that there is no significant impact on its current business due to situations caused by COVID-19.

The Company has considered all such impacts to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainities associated with its nature and duration.

**46. Additional information as required under para 2 of General Instruction of Division II of Schedule III to the Companies Act, 2013.**

| Name of Company | 30-Jun-21 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net assets, i.e., total assets minus liabilities | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount | As % of consolidated net assets | Amount | As % of profit/(loss) | Amount | As % of other comprehensive income /(loss) | Amount | As % of total comprehensive income/ (loss) |
| **Parent** | | | | | | | | |
| Droom Technology Private Limited | 839.84 | 104.44% | (325.22) | 99.81% | (0.39) | 99.29% | (325.61) | 99.81% |
| **Subsidiaries (including step down subsidiaries & associates)** | | | | | | | | |
| Droom Tech Logistic Private Limited | 0.10 | 0.01% | (1.89) | 0.58% | (0.00) | 0.71% | (1.89) | 0.58% |
| Droom Tech Insurance Broking Private Limited | 6.33 | 0.79% | (0.15) | 0.05% | - | 0.00% | (0.15) | 0.05% |
| Xeraphin Finvest Private Limited | 26.57 | 3.30% | 0.35 | -0.11% | - | 0.00% | 0.35 | -0.11% |
| **Total** | **872.84** | **109%** | **(326.91)** | **100.3%** | **(0.39)** | **100.0%** | **(327.30)** | **100.32%** |
| **Consolidated adjustments** | (68.73) | (0.09) | 1.06 | (0.00) | - | - | 1.06 | (0.00) |
| **Net amount** | **804.11** | **100%** | **(325.85)** | **100%** | **(0.39)** | **100%** | **(326.24)** | **100.00%** |

| Name of Company | 31-Mar-21 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net assets, i.e., total assets minus liabilities | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount | As % of consolidated net assets | Amount | As % of profit/(loss) | Amount | As % of other comprehensive income /(loss) | Amount | As % of total comprehensive income/ (loss) |
| **Parent** | | | | | | | | |
| Droom Technology Private Limited | 224.49 | 118.53% | (662.09) | 96.12% | 0.73 | 86.71% | (661.36) | 96.13% |
| **Subsidiaries (including step down subsidiaries & associates)** | | | | | | | | |
| Droom Finance Tech Private Limited | - | 0.00% | 0.33 | -0.05% | - | 0.00% | 0.33 | -0.05% |
| Droom Tech Logistic Private Limited | 1.99 | 1.05% | (5.37) | 0.78% | 0.11 | 13.29% | (5.25) | 0.76% |
| Droom Tech Insurance Broking Private Limited | - | 0.00% | (0.54) | 0.08% | - | 0.00% | (0.54) | 0.08% |
| Xeraphin Finvest Private Limited | 26.21 | 13.84% | (21.91) | 3.18% | - | 0.00% | (21.91) | 3.19% |
| **Total** | 252.70 | 133.43% | (689.58) | 100.11% | 0.84 | 100.00% | (688.73) | 100.11% |
| **Consolidated adjustments** | (63.31) | -33.43% | 0.75 | -0.11% | 0.01 | 0.74% | 0.75 | -0.11% |
| **Net amount** | **189.39** | **100.00%** | **(688.83)** | **100.00%** | **0.85** | **100.74%** | **(687.99)** | **100.00%** |

| Name of Company | 31-Mar-20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net assets, i.e., total assets minus liabilities | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount | As % of consolidated net assets | Amount | As % of profit/(loss) | Amount | As % of other comprehensive income /(loss) | Amount | As % of total comprehensive income/ (loss) |
| **Parent** | | | | | | | | |
| Droom Technology Private Limited | 601.33 | 101.43% | (888.27) | 99.16% | 1.89 | 100% | (886.38) | 99.16% |
| **Subsidiaries (including step down subsidiaries & associates)** | | | | | | | | |
| Droom Finance Tech Private Limited | 24.08 | 4.06% | 0.77 | -0.09% | - | - | 0.77 | -0.09% |
| Droom Tech Logistic Private Limited | 7.25 | 1.22% | (11.28) | 1.26% | - | - | (11.28) | 1.26% |
| Droom Tech Insurance Broking Private Limited | 7.02 | 1.18% | (0.16) | 0.02% | - | - | (0.16) | 0.02% |
| Xeraphin Finvest Private Limited | 48.13 | 8.12% | (2.07) | 0.23% | - | - | (2.07) | 0.23% |
| **Total** | 687.81 | 116.02% | (901.01) | 100.58% | 1.89 | 100.00% | (899.12) | 100.58% |
| **Consolidated adjustments** | (94.96) | -16.02% | 5.19 | -0.58% | - | - | 5.19 | -0.58% |
| **Net amount** | **592.85** | **100.00%** | **(895.82)** | **100.00%** | **1.89** | **100.00%** | **(893.93)** | **100.00%** |

| Name of Company | 31-Mar-19 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net assets, i.e., total assets minus liabilities | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount | As % of consolidated net assets | Amount | As % of profit/(loss) | Amount | As % of other comprehensive income /(loss) | Amount | As % of total comprehensive income/ (loss) |
| **Parent** | | | | | | | | |
| Droom Technology Private Limited | 741.98 | 100.13% | (1,064.20) | 101.00% | (0.07) | 100.00% | (1,064.27) | 101.00% |
| **Subsidiaries (including step down subsidiaries & associates)** | | | | | | | | |
| Droom Finance Tech Private Limited | 23.31 | 3.15% | 0.31 | -0.03% | - | 0.00% | 0.31 | -0.03% |
| Droom Tech Logistic Private Limited | 18.53 | 2.50% | (1.57) | 0.15% | - | 0.00% | (1.57) | 0.15% |
| Droom Tech Insurance Broking Private Limited | 0.68 | 0.09% | (0.32) | 0.03% | - | 0.00% | (0.32) | 0.03% |
| **Total** | **784.50** | **105.86%** | **(1,065.78)** | **101.15%** | **(0.07)** | **100.00%** | **(1,065.85)** | **101.15%** |
| **Consolidated adjustments** | **(43.45)** | **-5.86%** | **12.08** | -1.15% | **-** | **0.00%** | **12.08** | **-1.15%** |
| **Net amount** | **741.05** | **100.00%** | **(1,053.70)** | **100.00%** | **(0.07)** | **100.00%** | **-1,053.76** | **100.00%** |

**All amounts in INR millions, except per share data or as otherwise stated**

**47. Events after the reporting period**

Subsequent to the year end, following events have been occured:

**a)** The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 16 August 2021 and consequently the name of the Company has changed to "Droom Technology Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on 14 September 2021.

**b)** The Company has issued 196,183 equity shares (pre split) of face value INR 10 (post split 2,158,013 equity shares of face value INR 1 each) through right issue to its existing shareholder, Droom Pte Limited, Singapore on 11 August 2021.

**c)** The Board of Directors and shareholders of the Company at their meeting held on 5 October 2021, have approved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each.

**d)** Subsequent to the split, the Company has issued 496,195 equity shares of face value INR 1 each through right issue to its existing shareholder, Droom Pte Limited, Singapore on 21 October 2021.

**e)** Further on 21 October 2021, the Company has approved 1:11 bonus shares on fully paid equity shares having face value of INR 1 per share through capitalisation of securities premium of the Company.

| **f)** The impact of above mentioned stock split and bonus shares has been considered retrosepctively for the purpose of calculation of basic and diluted earnings per share for all periods presented. | **Number of Shares** |
|---|---|
| Number of equity share (as at 30 June 2021) | 13,48,383 |
| Number of Equity share post stock split (1 Equity Share into 10 shares) | 1,34,83,830 |
| Number of Equity share with bonus shares (11 bonus share for each equity share) | 14,83,22,130 |
| **Total equity share post split and bonus** | **16,18,05,960** |

**g)** As part of the corporate restructuring, we have incorporated "Droom Data Science Private Limited" on 4 September 2021 and "Droom Data Science Pte (Singapore) Limited" as fully owned subsidiaries. Droom Data Science Pte (Singapore) Limited has acquired equity shares of Droom International Pte Limited and its subsidaries from our ultimate holding company Droom Pte. Limited.

**As per our report of even date attached**

**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration No: 101248W/W-100022**

**For and on behalf of the Board of Directors of**
**Droom Technology Limited (formerly known as Droom Technology Private Limited)**

**Anurag Maheshwary**
**Partner**

**Membership No.: 506533**
**UDIN: 21506533AAAADD2956**

**Place: Gurugram**
**Date: 10 November 2021**

**Sandeep Aggarwal**
Whole Time Director & CEO
DIN : 01078744

**Amarpreet Singh**
Whole Time Director & VP Finance
DIN : 08193931

**Varun Sethi**
Chief Financial Officer

**Anil Dwivedi**
Company Secretary
ACS: 18893

## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

| Particulars | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Basic earnings per share (in ₹) | (2.42) | (5.21) | (7.04) | (10.12) |
| Diluted earnings per share (in ₹) | (2.42) | (5.21) | (7.04) | (10.12) |
| Return on net worth (%) | (40.53)% | (364.11)% | (151.19)% | (142.19) |
| Loss for the quarter / year (in ₹ million) | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Net asset value per share (in ₹) | 4.97 | 1.43 | 4.48 | 7.11 |
| EBITDA (in ₹ million) | (308.04) | (587.93) | (794.86) | (1,017.12) |

**Notes:** *The ratios have been computed as under:*

1. *Basic EPS: Restated profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period. Basic EPS are computed in accordance with Ind –S 33 - Earnings per share. For all periods presented number of equity share has been adjusted for the impact of stock spilt and bonus issue after the end of year \period but before the date of filling of the DRHP.*
2. *Diluted EPS: Restated profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of potential equity shares outstanding at the end of the year/period. Diluted EPS are computed in accordance with Ind –S 33 - Earnings per share. For all periods presented number of equity share has been adjusted for the impact of stock spilt and bonus issue after the end of year \period but before the date of filling of the DRHP.*
3. *Return on net worth %: Restated profit/(loss) for the year/period attributable to equity shareholders of the Company divided by net worth as attributable to equity shareholders of the Company at the end of the year/period.*
4. *Net worth = the total equity or total share capital of our Company and other equity as per the Restated Financial Information.*
5. *Net assets value per share (in ₹): Net asset value per share is calculated by dividing net worth by number of equity shares outstanding at the end of the year/period. For all periods presented number of equity share has been adjusted for the impact of stock spilt and bonus issue after the end of year \period but before the date of filling of the DRHP.*
6. *EBITDA = EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance cost, depreciation and amortisation expense and total tax expense to the restated profit for the year.*
7. *Accounting and other ratios are derived from the Restated Financial Information.*

### Non-GAAP measures

Certain non-GAAP measures like EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin , **Net worth, Return on net worth, Net asset value per share, Net Debt, Return on capital employed, Weighted average return on net worth, Weighted average basic and diluted earnings per share** ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years/ periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the e-commerce industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies*." on page 43.

***Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin, Net debt, Return on net worth, Return on capital employed, Net asset value per share and Reconciliation of debt equity ratio***

*(₹ in million)*

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| **Loss for the quarter / year (A)** | (325.85) | (688.83) | (896.03) | (1,053.70) |
| **Total Tax expenses/ (credit) (B)** | - | 0.13 | 0.66 | 0.20 |

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| **Loss before tax (C=A+B)** | (325.85) | (688.70) | (895.37) | (1,053.50) |
| **Adjustments:** | | | | |
| Add: Finance Costs (D) | 8.77 | 55.97 | 45.79 | 12.00 |
| Add: Depreciation and Amortization (E) | 9.04 | 44.80 | 54.72 | 24.38 |
| **Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (F= C+D+E)** | **(308.04)** | **(587.93)** | **(794.86)** | **(1,017.12)** |
| Total Income (G) | 810.51 | 1,355.23 | 1,813.68 | 1,461.11 |
| loss Margin (H = A/G) (%) | (40.20)% | (50.83)% | (49.40)% | (72.12)% |
| EBITDA Margin (I = F/G) (%) | **(38.01)%** | **(43.38)%** | **(43.82)%** | **(69.61)%** |
| Employee stock options expense (J) | 196.25 | 284.52 | 50.33 | 70.20 |
| Adjusted EBITDA (K = F+J) | (111.79) | (303.41) | (744.53) | (946.92) |
| Adjusted EBITDA Margin (L = K/ G) (%) | (13.79)% | (22.39)% | (41.05)% | (64.81)% |

**Reconciliation of Net debt**

*(₹ in million)*

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Long-term borrowings(I) | 37.98 | 41.67 | 1.94 | 4.34 |
| Short-term borrowings (II) | 263.81 | 476.82 | 313.65 | 1.87 |
| Total borrowings III = (I+II) | 301.79 | 518.49 | 315.59 | 6.21 |
| Cash and cash equivalents (IV) | 257.55 | 9.59 | 68.23 | 109.66 |
| Other bank balances (V) | 11.83 | 3.26 | 3.08 | 2.83 |
| Net Debt (VI=III-IV-V) | 32.41 | 505.64 | 244.28 | -106.28 |

**Reconciliation of return on net worth**

*(₹ in million)*

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Equity share capital (I) | 13.49 | 11.03 | 11.03 | 8.68 |
| Other equity (II) | 790.41 | 178.15 | 581.61 | 732.37 |
| Net worth (III)=(I+II) | 803.90 | 189.18 | 592.64 | 741.05 |
| **Loss for the quarter / year** (IV) | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Return on net worth (IV/(I+II)) | (40.53)% | (364.11)% | (151.19)% | (142.19)% |

**Reconciliation of return on capital employed**

*(₹ in million)*

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Total assets (I) | 1,704.06 | 1,148.38 | 1,364.78 | 1,290.29 |
| Current liabilities (II) | 685.90 | 738.13 | 447.34 | 200.57 |
| Capital employed (III=I-II) | 1,018.16 | 410.25 | 917.44 | 1,089.72 |
| **Loss for the quarter / year** (IV) | (325.85) | (688.83) | (896.03) | (1,053.70) |
| Return on capital employed (V=IV/III) | (32.00)% | (167.90)% | (97.67)% | (96.69)% |

**Reconciliation of net asset value per share**

*(₹ in million, except share data)*

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Equity share capital (I) | 13.49 | 11.03 | 11.03 | 8.68 |
| Other equity (II) | 790.41 | 178.15 | 581.61 | 732.37 |
| Net worth (III)=(I+II) | 803.90 | 189.18 | 592.64 | 741.05 |

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Number of equity shares* (IV) | 161,805,960 | 132,313,080 | 132,313,080 | 104,165,760 |
| Net asset value per share (V= (III)/IV) | 4.97 | 1.43 | 4.48 | 7.11 |

***** *For all periods presented number of equity share has been adjusted for the impact of stock spilt and bonus issue after the end of year \period but before the date of filling of the DRHP.*

**Reconciliation of debt equity ratio**

*(₹ in million)*

| | As at and for the three months ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|---|
| Long-term borrowings (I) | 37.98 | 41.67 | 1.94 | 4.34 |
| Short-term borrowings (II) | 263.81 | 476.82 | 313.65 | 1.87 |
| Total borrowings III = (I+II) | 301.79 | 518.49 | 315.59 | 6.21 |
| Equity share capital (IV) | 13.49 | 11.03 | 11.03 | 8.68 |
| Other equity (V) | 790.41 | 178.15 | 581.61 | 732.37 |
| Total Equity (VI)=(IV+V) | 803.90 | 189.18 | 592.64 | 741.05 |
| Debt equity ratio (VII=III/VI) | 0.38 | 2.74 | 0.53 | 0.01 |

In accordance with the SEBI ICDR Regulations the audited standalone financial statements of our Company for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 (collectively, the "**Audited Financial Statements**") are available on our website at droom.in/ir. The audited financial statements of our Material Subsidiary, Xeraphin Finvest Private Limited (the "**Subsidiary Financial Statements**") for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019, are also available at droom.in/ir**.**

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and Subsidiary Financial Statement do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable laws in India or elsewhere. The Audited Financial Statements and Subsidiary Financial Statements should not be considered as part of information that any investor should consider for subscription to or purchase of any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs or the Promoter Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements and Subsidiary Financial Statements, or the opinions expressed therein.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2019, 2020, 2021 and for the three months ended June 30, 2021. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information, which have been derived from our audited consolidated financial statements which have been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Information" on page 193.*

*Unless the context otherwise requires, in this section, references to "we", "us", "the Group" or "our" refers to Droom Technology Limited on a consolidated basis and references to "the Company" or "our Company" refers to Droom Technology Limited on a standalone basis.*

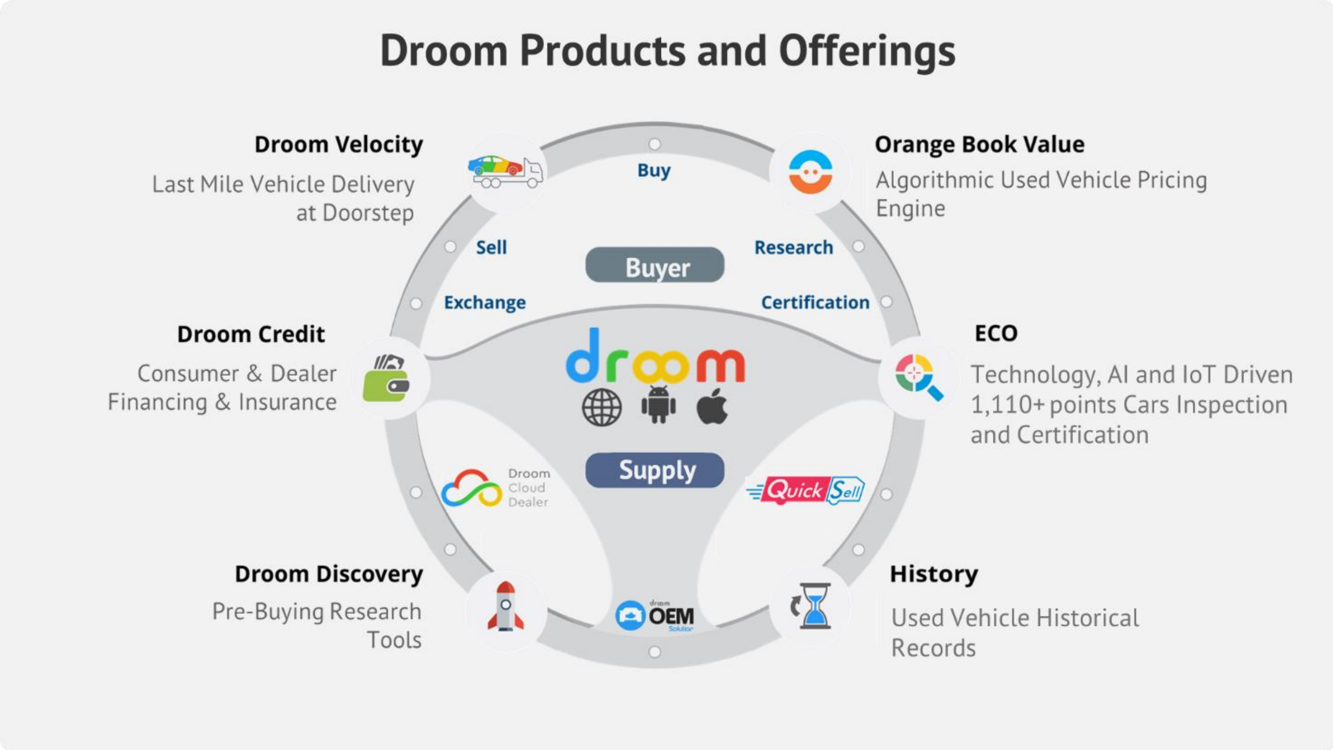
*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Auto E-commerce Market" dated November, 2021 (the "GT Report"), exclusively prepared and issued by Grant Thornton Bharat LLP who were appointed on August 27, 2021, and commissioned by and paid for by us. The data included herein includes excerpts from the GT Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. A copy of the GT Report is available on website of our Company at droom.in/ir. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 44. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 12. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 12.*

### OVERVIEW

We are a technology and data science company that facilitates automobile buying and selling online through a combination of our asset-light automobile e-commerce platform along with a technology-driven vertically integrated proprietary ecosystem of products and services for the automobile industry. We offer a 21st-century e-commerce experience for automobiles and is one of the leading e-commerce platforms for used cars sales in India *(Source: GT Report)*. We are the only major Indian player with a completely online transactional model and offer one of the largest selection of automobiles amongst the major online players in India *(Source: GT Report)* with over 1.15 million vehicles listed that includes both used and new cars and two-wheelers, and other vehicles, as of September 30, 2021. Our automobile e-commerce platform, which includes our website and mobile apps, offers users convenience and a curated experience to buy and sell new and used vehicles and encompasses every element of automobile buying from searching for a vehicle, creating buying requirements, price discovery, booking, certification to purchase and financing and doorstep delivery.

As a pure-play automobile e-commerce company, we provide a platform for buyers and sellers to transact vehicles and related services. To address structural constraints of the automobile market and buyers' and sellers' pain points, we have built a platform that aims to deliver wide selection, low prices, inspected and verified vehicles, loan and insurance, and seamless delivery for buyers as one unified Droom experience. For used vehicle dealers and individual sellers, besides being able to reach out to a potential buyer online, we offer an end-to-end e-commerce solution including technology platform, digital catalogue, online payment, vehicle inspection and certification service, and vehicle delivery service.

We monetize our automobile e-commerce platform through service fees or take rate and certain of our ecosystem products and services. We generate revenues primarily through selling service fees for transaction facilitation from the seller, fees from value-added services such as OBV, ECO, History and Droom Velocity and loan and insurance facilitation services. In addition, we have also started monetizing these products through subscription-based offerings as well as digital advertising for enterprise clients and auto dealers. Our revenues from operations were ₹1,359.68 million in Fiscal 2019, ₹1,721.72 million in Fiscal 2020, ₹1,253.32 million in Fiscal 2021 and were ₹790.81 million in the three months ended June 30, 2021.




Our automobile e-commerce platform is technology-driven, asset-light, scalable with a wide reach that is category, condition, and geography agnostic. We do not own the inventory or physical stores and our operations rely on technology and data science compared with people heavy operations for sourcing, refurbishment, certification, selling and delivery. This results in significant cost savings and alleviates risks associated with inventory. We have a large selection of vehicles on our platform and as of September 30, 2021, we had over 278,807 used vehicles listed across 11 categories present across 1,151 cities in India.

We are the only major Indian player with a completely online transaction model *(Source: GT Report)* that both enables and improves used car commerce for consumers and businesses across India. We have an asset-light business model and a lean cost structure. We do not own the vehicles listed on our platform. This enables us to be capital-efficient and scale our business with minimal marginal costs. We offer one of the most comprehensive offerings among the major players in the industry *(Source: GT Report)* that allows users access to a broad selection of vehicles through mobile apps and websites with comprehensive and accurate vehicle information and a seamless transaction experience.

**SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

***Ability to increase visitor traffic, conversion and average selling price on our platform***

We are one of the leading e-commerce platforms for used cars sales in India (*Source: GT Report*) that is supplemented by a suite of technology driven vertically integrated proprietary ecosystem of products and services for the automobile industry. Our ability to continue to increase our visitor traffic, conversion and category mix impacts the growth of our business and our revenues. The visitor traffic on our platforms in Fiscal 2019, 2020 and 2021 and in three months ended June 30, 2021 was 426.22 million, 284.50 million, 102.97 million and 43.64 million, and our conversion rate for the same period was 0.08%, 0.11%, 0.17% and 0.20%, respectively. The total GMV of our platform grew from ₹48,972.21 million in Fiscal 2019 to ₹66,976.48 million in Fiscal 2020. We witnessed a decline in Fiscal 2021 on account of COVID-19 and our GMV was ₹50,194.59 million while it was ₹28,158.53 million in the three months ended June 30, 2021. We anticipate that our future revenue growth will continue to depend largely on the increase of visitor traffic and their conversion on our platform resulting in an increase in transaction volumes. Our ability to increase transaction volume depends on, among other things, our ability to continually improve the service, user experience, and selection that we offer. The number of used vehicles listed on our platform increased from 169,300 as of March 31, 2019 to 238,105, as of March 31, 2021 and to 241,013 vehicles as of June 30, 2021. Our growth also depends on our ability to increase our brand awareness, expand our service network and enhance our transaction enablement and technology capabilities.

***Ability to capture more service opportunities and increase take rate***

Our comprehensive coverage of a customer's entire buying journey positions us well provide a variety of services to customers. In addition to our transaction facilitation services, we also provide a comprehensive suite of other services to customers that includes *OBV*, a used vehicle pricing engine, *ECO*, our inspection service, that covers over 1,110 points for car inspection, verification and certification services that are carried out by trained technicians, *History*, is a repository of vehicle historical records covering up to 28 different records, as of September 30, 2021, *Droom Credit*, our automobile focused financing and insurance service, and *Droom Velocity*, our last-mile fulfilment and delivery services. These products and services provide added revenue streams for us as well as offer convenience, assurance and efficiency for our customers.

By providing a variety of services, we were able to achieve a Take Rate of 2.38%, 2.76%, 3.15% and 3.14% in Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, respectively, as defined as the blended average service fee charged by us as a percentage of total Order value. Our ability to maintain or increase fees charged for transaction and loan facilitation services and provide more services affects our take rate and financial performance. Additionally, through our on-going data analytics, experimentation, and further development of our ecommerce technology, we expect to increase take rates of our existing value-added products while finding new opportunities to include additional finance and insurance and other value-added products. We expect that, as we scale our business, we will increase the breadth and variety of value-added products offered to customers and improve take rates of our vehicle sales, which in turn will grow revenue and drive profitability.

***Technology infrastructure, data science and personnel***

We have made, and will continue to make, significant investments in our technology, data science and artificial intelligence infrastructure and developing our automobile e-commerce platform and ecosystem of products and services to attract buyers and sellers, enhance user experience and expand the capabilities and scope of our automobile e-commerce platform and ecosystem solutions. We plan to continue investing in our platform to enhance our customers' ability to search for, research, finance, insure and purchase vehicles entirely online through our website and mobile devices, including smartphones and tablets. The implementation of new or enhanced technologies may be disruptive to our business and can be time-consuming and expensive and may increase management responsibilities and divert management attention. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, we incurred ₹148.15 million, ₹193.84 million, ₹136.19 million and ₹41.34 million, respectively, towards technology and product development (including headcount costs) that accounted for 5.89%, 7.16%, 6.66% and 3.64% of our total expenses in such periods. In the future, we will continue to invest in technology to further enhance our operations, which may increase our expenditure or operating costs but will improve our operating leverage, cost efficiency and service quality. Our continued improvement of our online marketplace is paramount to our user experience, driving our ability to attract and retain users, improve transaction frequency, and generate revenues. As a technology and data science company, we rely on technology talent. Our ability to attract technology talent determines our ability to innovate and speed to market for our offerings. We have a large technology team that is dedicated to continuously developing our platform offerings and as of September 30, 2021, 96, or 33.57%, of our employees were engaged in technology and product development roles.

***Our marketing and branding efforts***

Our marketing activities are aimed at driving the maximum relevant traffic to our website and apps, enhancing the recognition of the 'Droom' brand, driving customer retention and dealer marketing associated with onboarding dealers and building dealer community (including listing of their inventories) on the online platform. We consider these activities a key component of our operations. Our brand marketing efforts include 'above the line' and 'below the line' activities. We have in the past and continue to undertake TV commercials that have been award-winning and have helped us position ourselves well as a foremost e-commerce brand for automobile category. We also undertake digital marketing programs that include paid searches, search engine optimization, social media marketing, video marketing, email marketing, affiliate and alliances, partnerships, app downloads, influencer marketing and video marketing. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, we incurred ₹1,826.56 million, ₹1,986.50 million, ₹1,237.02 million and ₹810.33 million, respectively towards our marketing expenses (i.e., our promotion and incentive expense and advertisement and business development expense). Going forward, we intend to put a strong focus on enhancing the recognition of our "Droom" brand. We will continue to spend our marketing budgets on performance-based marketing, digital marketing, and branding marketing to increase adoption of our platform while at the same time ensuring return on investment.

***Market for used vehicles***

COVID-19 pandemic had a severe impact on the automobile industry, with significant disruptions in the supply chain and manufacturing. The pandemic and its subsequent lockdowns resulted in the Indian automotive industry suffering losses of approximately USD 328 million, in turnover per day. However, post COVID-19, there is likely to be a shift away from shared mobility to affordable personal mobility, boosting automotive sales. The current online penetration rate for used cars is 1%. It is estimated that four out of five people in India who are considering buying a car would use an online purchase option if it were available while one out of three potential buyers would buy a vehicle sooner if they had an online option and could avoid visiting a dealer. (*Source: GT Report*) In the USA, companies have started offering a full range of digital services. It is expected that the same trend will make its way to India as well, where end-to-end digital purchasing is likely to happen along with a redefined in-store experience. Transparency, convenience and ease of transactions, digital banking and payments, certified quality of vehicles is driving the growth for used vehicles sales in India. The size of the used car market in India is expected to increase from 4.1 million units in Fiscal 2021 to 10.9 million units in Fiscal 2026. We remain well positioned to capitalize on the growth in used vehicles in India and in particular through our auto e-commerce model. (*Source: GT Report*)

With rising aspirations, more consumers are upgrading from two-wheelers to passenger cars. The availability of affordable entry-level passenger cars has attracted a section of prospective two-wheelers purchasers. Further, with people moving towards personal mobility due to the pandemic, consumers are likely to perceive passenger cars providing a better safety net than two-wheelers. (*Source: GT Report*)

The increasing income levels has led to a shift in buyers' preference towards premium car categories like SUVs due to comparatively more space, better comfort, driving experience and manoeuvrability, compared to sedans or hatchbacks. (*Source: GT Report*)

***Impact of COVID-19***

In March 2020, the World Health Organization declared a global pandemic related to the rapidly growing outbreak of a novel strain of coronavirus known as COVID-19. We saw a slowdown in vehicle sales immediately following the declaration of the pandemic and shutdowns of large parts of the economy; however, according to the GT Report, personal mobility demand rebounded quickly after the "unlock" phases, as consumers preferred self-owned vehicles to ensure social distancing and reduce dependence on a weak public transport system and restrictions on travel and downward trend in other discretionary spends caused a shift towards spending on vehicle ownership. Although the ultimate impacts of COVID-19 remain uncertain in light of a surge in COVID-19 infections and the re-imposition of regional and local lockdowns due to such surge, the pandemic is accelerating trends of online adoption more broadly as consumers seek to avoid physical retail locations. We believe the pandemic will push people to look to alternative means of personal transportation, and our product is well suited to provide customers with an option to find safer and cleaner means of transportation. Therefore, while it remains possible that sustained or deepened impact on consumer demand resulting from COVID-19 or the related economic recession could negatively impact our performance, we believe that we are well positioned to weather the pandemic.

The outbreak of COVID-19 has triggered the increase in online transactions. Individuals are now comfortable using online platforms which was not the case earlier, hence online purchases across different ecommerce platforms have witnessed a massive boost. While hygiene was the primary reason in increase of digital payments, other factors like convenience, ease of use, acceptance, and incentives have given impetus to this adoption. The Indian automotive industry is expected to witness strong recovery as the economy opens up and demand for personal mobility is expected to grow, with consumers preferring self-owned vehicles to ensure social distancing and reducing dependence on a weak public transport system. (*Source: GT Report*)

In response to COVID-19, we have implemented several measures to protect the health and safety of our employees and our dealer community, proactively reduce operating costs, conserve liquidity and position ourselves to emerge from the current crisis in a healthy financial position. These measures include restrictions on non-essential business travel, the institution of work-from-home policies wherever feasible and the implementation of strategies for workplace safety at our offices. Additionally, we adjusted our delivery protocols to provide contact-free delivery and pickup of vehicles.

Ultimately, the magnitude and duration of the impact to our operations is impossible to predict due to:

- uncertainties regarding the duration of the COVID-19 pandemic, surges of infections and new strains, how long related disruptions will continue and the efficacy and speed of the roll-out of COVID-19 vaccines;
- the impact of governmental orders and regulations that have been, and may in the future be, imposed; and
- the deterioration of economic conditions in India, which could have an adverse impact on discretionary consumer spending.

***Seasonality***

We expect our quarterly results of operations, including our revenue and profitability, if any, and cash flows to vary in the future, based in part on, among other things, consumers' vehicle buying patterns. We have typically experienced higher revenue growth rates in the third and fourth quarters of the financial year than in each of the first or second quarters.

## PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

### Income

Our total income include revenue from operations and other income.

***Revenue from Operations***

We recognise revenue primarily from the following services:

- *Sale of Services*: We generate revenues by facilitating the sale of vehicles and related services between buyers and sellers on our auto e-commerce platform. We enter into an agreement with a sellers to use our platform for listing and selling their vehicles. The agreement between us and the sellers defines the range of selling service fee that we charge sellers for each transaction. Buyers access our platform for free and we do not have any performance obligation to buyers. Our services include facilitating completion of e-commerce orders and related activities, including facilitating payments from buyers, that enable sellers to seek, receive and fulfill demand for vehicles and related services. In the event the seller is unable to fulfil contractual obligation to the buyer, we also charge a cancellation fee from the seller.

- *Advertising and Marketing Services*: Advertisement revenue is derived principally from the sale of online advertisements which are based on "impressions" (i.e., the number of times an advertisement appears on pages viewed by users of the platform) or "clicks" (which are generated each time users on the platform click through advertisements to an advertiser's designated website) or "leads" delivered to advertisers. We recognize advertising revenue as the leads, impressions, or clicks are delivered. We also receive sponsorship fees in respect of events handled by our Company.

- *Technology Support Services*: This comprises of revenue earned by our Company from our Holding Company from provision of development of technology and the '*Droom*' brand.

***Other Income***

Other income primarily include interest income on loans, fair value gain on mutual funds, profit from sale of mutual funds and other interest income that primarily include interest on fixed deposits.

**Expenses**

Our expenses primarily include employee benefits expenses and other expenses.

***Employee Benefits Expenses***

Employee benefits expenses primarily include (i) salary and wages; (ii) stock based compensation; (iii) contribution to provident and other funds; (iv) gratuity expenses; and (v) staff welfare expenses.

***Other Expenses***

Other expenses primarily include:

- *Promotion and incentive expense*: Expenses incurred on account of incentives and promotions offered by our Company to end-users to encourage the use of our automobile e-commerce platform. These are offered in various forms of incentive and promotion campaigns offered on our platform from time-to-time. We record the cost of these incentives and promotions as marketing and promotion expenses at the time they are redeemed by the end-users; and

- *Advertisement and business development expense*:

    - *Advertisement Expenses*: Include expenses related to our brand marketing efforts. These include 'above the line' and 'below the line' activities such as expenses on creating and broadcasting TV commercials, digital marketing programs that include paid searches, search engine optimization, social media marketing, video marketing, email marketing, affiliate and alliances, partnerships, app downloads, influencer marketing and video marketing.

    - *Business Development Expenses*: Consist primarily of costs associated with onboarding dealers (including listing of their inventories) on our platform.

**Finance Costs**

Finance costs primarily include (i) interest expense on lease liabilities, borrowings; and (ii) interest on pending share allotments.

**Depreciation and Amortisation Expenses**

Depreciation and amortization expenses primarily include depreciation of computing hardware (such as computers, laptops, server and network equipment), office equipment, furniture and fixtures, leasehold improvments and vehicles.

**Non-GAAP Measures**

**Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA") / EBITDA Margin / Adjusted EBITDA / Adjusted EBITDA Margin / net worth / return on net worth / net asset value per share/ net debt / return on capital employed / weighted average return on net worth / weighted average basic / diluted earnings per share**

EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, net worth, return on net worth, net asset value per share, net debt, return on capital employed, weighted average return on net worth and weighted average basic / diluted earnings per share presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP.

Further, EBITDA and Adjusted EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA and Adjusted EBITDA is not a standardised term, hence a direct comparison of EBITDA and Adjusted EBTIDA between companies may not be possible. Other companies may calculate EBITDA and Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure. Although EBITDA and Adjusted EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

***Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Loss for the Quarter / Year***

EBITDA is calculated as loss for the quarter / year plus total tax expense/ (credit), finance cost, depreciation and amortization expense, while Adjusted EBITDA is calculated as EBITDA plus employee stock options expense. EBITDA Margin is the percentage of EBITDA divided by total income, while Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by total income.

The table below reconciles loss for the year/period to EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin:

| **Particulars** | **For the three months ended June 30, 2021** | **Fiscal** | | |
|---|---|---|---|---|
| | | **2021** | **2020** | **2019** |
| | **(₹ million, except percentages)** | | | |
| **Loss for the quarter / year (A)** | (325.85) | (688.83) | (896.03) | (1,053.70) |
| **Total Tax expenses/ (credit) (B)** | - | 0.13 | 0.66 | 0.20 |
| **Loss before tax (C=A+B)** | (325.85) | (688.70) | (895.37) | (1,053.50) |
| **Adjustments:** | | | | |
| Add: Finance Costs (D) | 8.77 | 55.97 | 45.79 | 12.00 |
| Add: Depreciation and Amortization (E) | 9.04 | 44.80 | 54.72 | 24.38 |
| **Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (F= C+D+E)** | **(308.04)** | **(587.93)** | **(794.86)** | **(1,017.12)** |
| Total Income (G) | 810.51 | 1,355.23 | 1,813.68 | 1,461.11 |
| **EBITDA Margin (H = F/G) (%)** | **(38.01)%** | **(43.38)%** | **(43.82)%** | **(69.61)%** |
| Employee stock options expense **(I)** | 196.25 | 284.52 | 50.33 | 70.20 |
| **Adjusted EBITDA (J = F+I)** | (111.79) | (303.41) | (744.53) | (946.92) |
| **Adjusted EBITDA Margin (K = J/ G) (%)** | (13.79)% | (22.39)% | (41.05)% | (64.81)% |

***[Remainder of this page intentionally left blank]***

## RESULTS OF OPERATION

| Particulars | Three months ended June 30, 2021 | | Fiscal 2021 | | Fiscal 2020 | | Fiscal 2019 | |
|---|---|---|---|---|---|---|---|---|
| | (₹ million) | Percentage of Total Income (%) | (₹ million) | Percentage of Total Income (%) | (₹ million) | Percentage of Total Income (%) | (₹ million) | Percentage of Total Income (%) |
| **Revenue** | | | | | | | | |
| Revenue from operations | 790.81 | 97.57% | 1,253.32 | 92.48% | 1,721.72 | 94.93% | 1,359.68 | 93.06% |
| Other income | 19.70 | 2.43% | 101.91 | 7.52% | 91.96 | 5.07% | 101.43 | 6.94% |
| **Total Income** | **810.51** | **100.00%** | **1,355.23** | **100.00%** | **1,813.68** | **100.00%** | **1,461.11** | **100.00%** |
| **Expenses** | | | | | | | | |
| Service cost | 0.51 | 0.06% | 21.09 | 1.56% | 29.41 | 1.62% | 24.54 | 1.68% |
| Change in Inventories | (0.21) | (0.03)% | (4.76) | (0.35)% | - | 0.00% | - | 0.00% |
| Employee benefits expense | 284.50 | 35.10% | 561.76 | 41.45% | 471.56 | 26.00% | 407.48 | 27.89% |
| Finance costs | 8.77 | 1.08% | 55.97 | 4.13% | 45.79 | 2.52% | 12.00 | 0.82% |
| Depreciation and amortization expense | 9.04 | 1.12% | 44.80 | 3.31% | 54.72 | 3.02% | 24.38 | 1.67% |
| Other expenses | 833.73 | 102.86% | 1,364.80 | 100.71% | 2,107.49 | 116.20% | 2,046.06 | 140.03% |
| **Total expenses** | **1,136.34** | **140.20%** | **2,043.66** | **150.80%** | **2,708.97** | **149.36%** | **2,514.46** | **172.09%** |
| **Loss before tax before equity method investment activity** | (325.83) | (40.20)% | (688.43) | (50.80)% | (895.29) | (49.36)% | (1,053.35) | (72.09)% |
| **Equity method investment activity, net** | 0.02 | 0.00% | 0.27 | 0.02% | 0.08 | 0.00% | 0.15 | 0.01% |
| **Loss before tax** | **(325.85)** | **(40.20)%** | **(688.70)** | **(50.82)%** | **(895.37)** | **(49.37)%** | **(1,053.50)** | **(72.10)%** |
| **Tax Expenses** | | | | | | | | |
| Current tax | - | - | 0.13 | 0.01% | 0.67 | 0.04% | 0.20 | 0.01% |
| Deferred tax expense/(credit) | - | - | - | - | (0.01) | 0.00% | - | - |
| **Total tax expenses** | **-** | **-** | **0.13** | **0.01%** | **0.66** | **0.03%** | **0.20** | **0.01%** |
| **Loss for the quarter/year** | **(325.85)** | **(40.20)%** | **(688.83)** | **(50.83)%** | **(896.03)** | **(49.40)%** | **(1,053.70)** | **(72.12)%** |
| **Other comprehensive income/(loss) (OCI)** | | | | | | | | |
| **Items that will not be reclassified subsequently to Statement of Profit and Loss** | | | | | | | | |
| Remeasurement of net defined benefit liability | (0.39) | (0.05)% | 0.85 | 0.06% | 1.89 | 0.10% | (0.07) | 0.00% |
| **Other comprehensive income for the year** | **(0.39)** | **(0.05)%** | **0.85** | **0.06%** | **1.89** | **0.10%** | **(0.07)** | **0.00%** |
| **Total comprehensive loss for the quarter/ year** | **(326.24)** | **(40.25)%** | **(687.98)** | **(50.76)%** | **(894.14)** | **(49.30)%** | **(1,053.77)** | **(72.12)%** |

## THREE MONTHS ENDED JUNE 30, 2021

### Key Developments

### Income

Total income was ₹810.51 million in the three months ended June 30, 2021.

*Revenue from Operations*

Revenues from operations were ₹790.81 million in the three months ended June 30, 2021 that comprised sale of services of ₹761.13 million, revenues from advertisement and marketing services of ₹11.77 million and revenue from technology support services amounting to ₹17.91 million.

***Other Income***

Other income was ₹19.70 million in three months ended June 30, 2021 and comprised primarily of fair value gain on mutual funds of ₹8.70 million, interest income of ₹8.05 million and other interest income of ₹1.86 million.

**Expenses**

Total expenses were ₹1,136.34 million in the three months ended June 30, 2021.

***Service costs***

Service costs were ₹0.51 million in the three months ended June 30, 2021.

***Employee Benefits Expenses***

Employee benefits expenses were ₹284.50 million which comprised primarily of stock based compensation expense of ₹196.25 million, salary and wages amounting to ₹82.85 million, staff welfare expenses of ₹2.25 million, contribution towards provident and other funds of ₹1.70 million and gratuity expenses of ₹1.45 million.

***Finance Costs***

Finance costs were ₹8.77 million in the three months ended June 30, 2021 interest expense on lease liabilities of ₹4.05 million and interest expense on borrowings of ₹4.72 million.

***Depreciation and amortisation expense***

Depreciation and amortisation expense were ₹9.04 million in the three months ended June 30, 2021 comprising of amortisation of right-of-use asset of ₹6.19 million, depreciation expense of ₹2.20 million and amortisation of intangible assets of ₹0.65 million.

***Other Expenses***

Other expenses were ₹833.73 million in the three months ended June 30, 2021, primarily comprising of the following:

- Promotion and incentive expense that were ₹790.05 million in the three months ended June 30, 2021;
- Advertisement and business development expenses of ₹20.28 million;
- IT support expenses of ₹5.29 million;

**Loss before Tax**

Loss before tax was ₹325.85 million in the three months ended June 30, 2021.

**Tax Expenses**

Tax expenses were nil during the three months ended June 30, 2021.

**Loss for the Quarter**

Loss for the quarter was ₹325.85 million in the three months ended June 30, 2021.

**Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)**

EBITDA was ₹(308.04) million in the three months ended June 30, 2021, while EBITDA Margin (EBITDA as a percentage of our total income) was (38.01)% in the three months ended June 30, 2021. For reconciliation of EBITDA and EBITDA Margin, see "– *Non-GAAP Measures – Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Loss for the Quarter / Year*" on page 257.

**FISCAL 2021 COMPARED TO FISCAL 2020**

**Key Developments**

Due to the country-wide and prolonged lockdown, the first wave of COVID-19 pandemic from March 2020 until September 2020, impacted our business operations. We witnessed minimal business activities during this period. While orders on our platform declined in the first two quarters of Fiscal 2021, we have witnessed a strong recovery in later part of Fiscal 2021.

**Income**

Total income decreased by 25.28% from ₹1,813.68 million in Fiscal 2020 to ₹1,355.23 million in Fiscal 2021 primarily on account of decrease in revenue from operations the impact of COVID-19 led restrictions on the economy.

***Revenue from Operations***

Revenues from operations decreased by 27.20% from ₹1,721.72 million in Fiscal 2020 to ₹1,253.32 million in Fiscal 2021 primarily due to decrease in sales of services.

*Sale of services*

Sale of services decreased by 22.23% from ₹1,527.13 million in Fiscal 2020 to ₹1,187.72 million in Fiscal 2021, on account decrease in GMV transacted on the platform from ₹66,976.48 million to ₹50,194.59 million, driven by low participation by the buyers and sellers, resulting from lockdown restrictions imposed by the Government of India amidst the COVID-19 pandemic and reduced requirement for personal transportation. This decrease was partially offset by increase in take-rate from 2.76% in Fiscal 2020 to 3.15% in Fiscal 2021.

*Advertisement and marketing services*

Revenue from advertisement and marketing services decreased by 80.97% from ₹19.39 million in Fiscal 2020 to ₹3.69 million in Fiscal 2021, due to lower spend by clients on digital advertisement and marketing services on the online platforms amidst the COVID-19 pandemic.

*Technology support services*

Technology support services decreased by 64.66% from ₹175.20 million in Fiscal 2020 to ₹61.91 million in Fiscal 2021.

***Other Income***

Other income increased marginally by 10.82% from ₹91.96 million in Fiscal 2020 to ₹101.91 million in Fiscal 2021 primarily on account of increase in fair value gain on mutual funds from ₹12.14 million in Fiscal 2020 to ₹46.82 million in Fiscal 2021; (ii) gain on termination of lease contracts from nil in Fiscal 2020 to ₹19.22 million to Fiscal 2021; and (iii) increase in other interest income from ₹3.94 million in Fiscal 2020 to ₹8.28 million in Fiscal 2021.

This was partially offset by a decrease in (i) interest income on loan by 31.39% from ₹38.47 million in Fiscal 2020 to ₹26.01 million in Fiscal 2021; and (ii) liability no longer required, written back by 97.27% from ₹2.20 million in Fiscal 2020 to ₹0.06 million in Fiscal 2021; and (iii) sale of mutual funds from ₹33.50 million in Fiscal 2020 to nil in Fiscal 2021.

**Expenses**

Total expenses decreased by 24.56% from ₹2,708.97 million in Fiscal 2020 to ₹2,043.66 million in Fiscal 2021.

***Service costs***

Service costs decreased by 28.29% from ₹29.41 million in Fiscal 2020 to ₹21.09 million in Fiscal 2021 on account of a decrease in shipping charges, transaction charges and vehicle inspection charges, on account of decrease in number of transactions on the platform.

***Employee Benefits Expenses***

Employee benefits expenses increased by 19.13% from ₹471.56 million in Fiscal 2020 to ₹561.76 million in Fiscal 2021, primarily due to a significant increase in stock based compensation expense, from ₹50.33 million in Fiscal 2020 to ₹284.52 million in Fiscal 2021. This is partially offset by decreases in salary and wages, by 33.60% from ₹390.69 million in Fiscal 2020 to ₹259.42 million in Fiscal 2021 on account of decrease in headcount from 316 employees, as of March 31, 2020 to 277 employees as of March 31, 2021.

***Finance Costs***

Finance costs increased by 22.23% from ₹45.79 million in Fiscal 2020 to ₹55.97 million in Fiscal 2021, primarily due to increase in interest expenses on borrowings, from ₹14.31 million in Fiscal 2020, to ₹32.53 million in Fiscal 2021 on account of increase in use of overdraft facility from banks. This was partially offset by a decrease in interest expense on lease liabilities, from ₹31.47 million in Fiscal 2020 to ₹23.41 million in Fiscal 2021.

***Depreciation and amortisation expense***

Depreciation and amortisation expense decreased by 18.13% from ₹54.72 million in Fiscal 2020, to ₹44.80 million in Fiscal 2021, primarily due to a decrease in amortisation of right-of-use asset, by 21.57% from ₹43.39 million in Fiscal 2020 to ₹34.03 million in Fiscal 2021.

***Other Expenses***

Other expenses decreased by 35.24% from ₹2,107.49 million in Fiscal 2020 to ₹1,364.80 million in Fiscal 2021, primarily due to a decrease in:

- Promotion and incentive expense, by 34.15% from ₹1,838.43 million in Fiscal 2020 to ₹1,210.54 million in Fiscal 2021;
- Advertisement and business development expense, by 82.12% from ₹148.07 million in Fiscal 2020 to ₹26.48 million in Fiscal 2021;
- IT support expenses, by 46.41% from ₹39.60 million in Fiscal 2020 to ₹21.22 million in Fiscal 2021;

This is partially offset by an increase in provision for expected credit losses on loans, from ₹8.58 million in Fiscal 2020 to ₹60.39 million in Fiscal 2021.

The decline in other expenses by 35.24%, was faster than the decline in revenue 27.20%, highlighting the operating leverage in the business model.

**Loss before Tax**

Loss before tax decreased by 23.08% from ₹895.37 million in Fiscal 2020 to ₹688.70 million in Fiscal 2021 primarily due to decline in other expenses compared to decline in revenue from operations.

**Tax Expenses**

Tax expenses decreased by 80.30% from ₹0.66 million in Fiscal 2020 to ₹0.13 million in Fiscal 2021.

**Loss for the Year**

For the various reasons discussed above, loss for the year decreased by 23.12% from ₹896.03 million in Fiscal 2020 to ₹688.83 million in Fiscal 2021.

**Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)**

For the various reasons discussed above, EBITDA increased from ₹(794.86) million in Fiscal 2020 to ₹(587.93) million in Fiscal 2021, while EBITDA Margin (EBITDA as a percentage of our total income) increased from (43.82)% in Fiscal 2020 to (43.38)% in Fiscal 2021. For reconciliation of EBITDA and EBITDA Margin, see "*– Non-GAAP Measures – Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Loss for the Quarter / Year*" on page 257.

## FISCAL 2020 COMPARED TO FISCAL 2019

### Key Developments

Our Company completed the acquisition of Xeraphin Finvest Private Limited, a non-deposit taking, RBI-registered non-banking financial company in March 2020 and it became our Subsidiary. Accordingly the financials of Xeraphin Finvest Private Limited were consolidated in Fiscal 2020.

### Income

Total income increased by 24.13% from ₹1,461.11 million in Fiscal 2019 to ₹1,813.68 million in Fiscal 2020 primarily on account of increase in our revenue from operations.

#### *Revenue from Operations*

Revenues from operations increased by 26.61% from ₹1,359.68 million in Fiscal 2019 to ₹1,721.72 million in Fiscal 2020 primarily due to increase in sale of services.

*Sale of services*

Sale of services increased by 49.15% from ₹1,023.88 million in Fiscal 2019 to ₹1,527.13 million in Fiscal 2020, on account of increase in GMV transacted on our platform from ₹48,972.21 million to ₹66,976.48 million, driven by higher online adoption by the buyers and sellers. This increase was also driven by increase in take-rate from 2.38% in Fiscal 2019 to 2.76% in Fiscal 2020.

*Advertisement and marketing services*

Revenue from advertisement and marketing services increased by 27.65% from ₹15.19 million in Fiscal 2019 to ₹19.39 million in Fiscal 2020, due to improved traffic and marketing spends by clients on online platforms.

#### *Other Income*

Other income decreased by 9.13% from ₹101.43 million in Fiscal 2019 to ₹91.96 million in Fiscal 2020. It decreased on account of decrease in interest income and also relative decrease in profit on sale of mutual funds.

### Expenses

Total expenses increased by 7.74% from ₹2,514.46 million in Fiscal 2019 to ₹2,708.97 million in Fiscal 2020.

#### *Service Cost*

Service costs increased by 19.85% from ₹24.54 million in Fiscal 2019 to ₹29.41 million in Fiscal 2020 primarily due to an increase in transaction charges and vehicle inspection charges.

#### *Employee Benefits Expenses*

Employee benefits expenses increased marginally by 15.73% from ₹407.48 million in Fiscal 2019 to ₹471.56 million in Fiscal 2020, primarily due to an increase in salary and wages, by 24.34% from ₹314.19 million in Fiscal 2019 to ₹390.69 million in Fiscal 2020 on account of increased headcount as compared to Fiscal 2019 for most part of the Fiscal. It is partially offset by a decrease in stock based compensation expense, by 28.30% from ₹70.20 million in Fiscal 2019 to ₹50.33 million in Fiscal 2020.

#### *Finance Costs*

Finance costs increased by 281.58% from ₹12.00 million in Fiscal 2019 to ₹45.79 million in Fiscal 2020, primarily due to the first time we availed of a bank overdraft facility and also due to interest expenses on lease liabilities.

#### *Depreciation and Amortisation Expense*

Depreciation and amortisation expense increased by 124.45% from ₹24.38 million in Fiscal 2019, to ₹54.72 million in Fiscal 2020, due to an increase in depreciation expense and amortisation of right-of-use asset.

***Other Expenses***

Other expenses increased marginally by 3.00% from ₹2,046.06 million in Fiscal 2019 to ₹2,107.49 million in Fiscal 2020, primarily due to an increase in promotion and incentive expense, by 34.74% from ₹1,364.42 million in Fiscal 2019 to ₹1,838.43 million in Fiscal 2020.

This is partially offset by a decrease in advertisement and business development expense, by 67.96% from ₹462.14 million in Fiscal 2019 to ₹148.07 million in Fiscal 2020. The increase in other expenses by 3.00%, was lesser than the increase in revenue by 26.61%, highlighting the operating leverage in our business model.

**Loss before Tax**

Loss before tax decreased by 15.01% from ₹1,053.50 million in Fiscal 2019 to ₹895.37 million in Fiscal 2020 due to reasons explained above which was primarily driven by increase in revenue from operations.

**Tax Expenses**

Tax expenses increased by 230.00% from ₹0.20 million in Fiscal 2019 to ₹0.66 million in Fiscal 2020, primarily due to increase in current tax.

**Loss for the Year**

For the various reasons discussed above, loss for the year decreased by 14.96% from ₹1,053.70 million in Fiscal 2019 to ₹896.03 million in Fiscal 2020.

**Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)**

For the various reasons discussed above, EBITDA increased from ₹(1.017.12) million in Fiscal 2019 to ₹(794.86) million in Fiscal 2020, while EBITDA Margin (EBITDA as a percentage of our total income) increased from (69.61)% in Fiscal 2019 to (43.82)% in Fiscal 2020, primarily due to strong growth in revenue from operations. For reconciliation of EBITDA and EBITDA Margin, see "*– Non-GAAP Measures – Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Loss for the Quarter / Year*" on page 257.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through cash flows from operations, equity infusions from shareholders and borrowings. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital.

## CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

| Particulars | Three months ended June 30, 2021 | Fiscal | | |
|---|---|---|---|---|
| | | 2021 | 2020 | 2019 |
| | (₹ million) | | | |
| Net cash (used in) operating activities | (121.81) | (185.97) | (723.88) | (1,431.43) |
| Net cash from (used in) investing activities | (145.56) | (1.72) | (257.84) | 668.30 |
| Net cash from (used in) financing activities | 515.33 | 129.05 | 940.29 | 802.51 |
| Net increase/ (decrease) in cash and cash equivalents | 247.96 | (58.64) | (41.43) | 39.38 |
| Cash and cash equivalents at the end of the year | 257.55 | 9.59 | 68.23 | 109.66 |

For further information, see "*Financial Information – Restated Consolidated Cash Flow Statement*" on page 202.

## Operating Activities

### *Three months ended June 30, 2021*

Net cash used in operating activities for the three months ended June 30, 2021 was ₹121.81 million, while our operating loss before working capital changes was ₹114.70 million. The difference was primarily attributable to increase in trade receivables of ₹160.14 million, increase in other financial assets of ₹7.80 million which was partially offset by increase in trade payables of ₹148.80 million.

### *Fiscal 2021*

Net cash used in operating activities for Fiscal 2021 was ₹185.97 million, while our operating loss before working capital changes was ₹306.53 million. The difference was primarily attributable to increase in trade receivables and other assets of ₹65.12 million and ₹10.11 million, which was partially offset by increase in trade payables of ₹145.25 million, an decrease in other financial assets ₹17.35 million and decrease in loan of ₹30.24 million, respectively.

### *Fiscal 2020*

Net cash used in operating activities for Fiscal 2020 was ₹723.88 million, while our operating loss before working capital changes was ₹769.18 million. The difference was primarily attributable to decrease in trade receivables, other financial assets and other assets of ₹88.32 million, ₹13.50 million and ₹17.36 million, respectively, though partially offset by decrease in trade payables and other financial liabilities of ₹43.88 million and ₹22.96 million, respectively.

### *Fiscal 2019*

Net cash used in operating activities for Fiscal 2019 was ₹1,431.43 million, while our operating loss before working capital changes was ₹936.25 million. The difference was primarily attributable to increase in loans, trade receivables and other financial assets of ₹309.54 million, ₹137.19 million and ₹28.12 million, respectively, and decrease in other financial liabilities of ₹25.94 million, which was partially offset by increase in trade payables of ₹23.60 million.

## Investing Activities

### *Three months ended June 30, 2021*

Net cash used in investing activities for the three months ended June 30, 2021 was ₹145.56 million, primarily on account amounts invested in purchase of investments of ₹427.50 million, which was partially offset by proceeds from sale of investments of ₹290.84 million.

### *Fiscal 2021*

Net cash used in investing activities for Fiscal 2021 of ₹1.72 million, primarily included purchase of property, plant and equipment of ₹1.82 million.

### *Fiscal 2020*

Net cash used in investing activities for Fiscal 2020 of ₹257.84 million, primarily included purchase of investments of ₹398.12 million, which was partially offset by proceeds from sale of investments of ₹151.84 million.

### *Fiscal 2019*

Net cash generated from investing activities for Fiscal 2019 of ₹668.30 million, primarily included proceeds from sale of investments of ₹5,032.91 million which was significantly offset by purchase of investments of ₹4,352.66 million.

## Financing Activities

### *Three months ended June 30, 2021*

Net cash from financing activities for the three months ended June 30, 2021 was ₹515.33 million, primarily on account of proceeds from issuance of equity shares of ₹744.57 million, which was partially offset by repayment of bank overdraft, net of ₹216.15 million.

***Fiscal 2021***

Net cash from financing activities for Fiscal 2021 of ₹129.05 million and primarily included proceeds from overdraft, net of ₹161.53 million and proceeds from term loan of ₹47.60 million, which was partially offset by payments of lease liabilities and interest paid of ₹41.31 million and ₹32.53 million, respectively.

***Fiscal 2020***

Net cash from financing activities for Fiscal 2020 of ₹940.29 million and primarily included proceeds from overdraft, net of ₹305.52 million and proceeds from issuance of shares of ₹695.40 million, which was partially offset by payments of lease liabilities and interest paid of ₹50.21 million and ₹14.31 million, respectively.

***Fiscal 2019***

Net cash from financing activities of ₹802.51 million in Fiscal 2019 and primarily included proceeds from issuance of shares of ₹812.17 million, which was partially offset by payments of lease liabilities of ₹15.84 million.

**INDEBTEDNESS**

As of June 30, 2021, we had total borrowings (consisting of long term and short term borrowings) of ₹301.79 million. For further information on our indebtedness, see "*Financial Indebtedness*" on page 282.

The following table sets forth certain information relating to our outstanding indebtedness as of June 30, 2021, and our repayment obligations in the periods indicated:

| **Particulars** | **As of June 30, 2021** | | | | |
|---|---|---|---|---|---|
| | **Payment due by period** | | | | |
| | **(₹ million)** | | | | |
| | **Total** | **Not later than 1 year** | **1-3 years** | **3 -5 years** | **More than 5 years** |
| **Short-Term Borrowings** | | | | | |
| Current maturities of long-term borrowings | 11.35 | 11.35 | - | - | - |
| Bank overdrafts | 250.88 | 250.88 | - | - | - |
| Other borrowings | 1.58 | 1.58 | - | - | - |
| **Total Short-Term Borrowings** | **263.81** | **263.81** | - | - | - |
| **Long-Term Borrowings** | | | | | |
| Secured loan | 1.73 | 1.73 | - | - | - |
| MSMED Term loan | 47.60 | 9.62 | 37.98 | - | - |
| Less: Current maturities of long-term borrowings classified under short-term borrowings | (11.35) | (11.35) | - | - | - |
| **Total Long-Term Borrowings** | **37.98** | 0 | 37.98 | - | - |
| **Total Borrowings** | **301.79** | 263.81 | 37.98 | - | - |

**CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS**

There are no claims against us that was not acknowledged as debt as at June 30, 2021. We do not have any pending litigations which would impact our financial position or any commitments to be executed on capital account as at June 30, 2021.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Outstanding Litigation and Material Developments*" and "*Financial Statements*" beginning on pages 252, 284 and 193, respectively.

**CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

The following table sets forth the maturity profile of our financial liabilities based on their contractual undiscounted maturities as of June 30, 2021:

| **Particulars** | **Payment due by period** | | | |
|---|---|---|---|---|
| | **Within 1 year** | **1-3 years** | **More than 3 years** | **Total** |
| | **(₹ million)** | | | |
| Borrowings | 263.81 | 37.98 | - | 301.79 |

| Particulars | Payment due by period | | | |
|---|---|---|---|---|
| | Within 1 year | 1-3 years | More than 3 years | Total |
| | (₹ million) | | | |
| Trade Payables | 320.03 | 4.61 | 2.83 | 327.41 |
| Other financial liabilities | 52.94 | - | - | 52.94 |
| Lease liabilities | 25.89 | 48.77 | 111.69 | 186.35 |
| **Total** | **662.67** | **91.36** | **114.52** | **868.55** |

## CAPITAL EXPENDITURES

Our historical capital expenditure was, and we expect our future capital expenditure to be, primarily for computer and related hardware like servers and laptops. In Fiscals 2019, 2020 and 2021 and in the three months ended June 30, 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment and intangible assets) were ₹27.31 million, ₹5.92 million, ₹1.82 million and ₹0.42 million, respectively.

The following table sets forth the net block of our capital assets for the periods indicated:

| Particulars | As of June 30, 2021 | As of March 31 | | |
|---|---|---|---|---|
| | | 2021 | 2020 | 2019 |
| | (₹ million) | | | |
| Property, plant and equipment | 25.29 | 27.11 | 35.52 | 41.11 |
| Right-of-use Assets | 158.70 | 164.91 | 331.38 | 374.22 |
| Other Intangibles | 5.20 | 5.85 | 6.50 | - |
| **Total** | **189.19** | **197.87** | **373.40** | **415.33** |

## RELATED PARTY TRANSACTIONS

We have entered into transactions with certain related parties, including our subsidiaries, our Promoter, certain KMPs. In particular, we have entered into various transactions with such parties in relation to, amongst others, investment in subsidiaries, payment for services rendered to our Holding Company and remuneration to KMPs. For further information relating to our related party transactions, see "*Restated Consolidated Financial Information – Note 34: Related Party Disclosures*" on page 235.

## CHANGES IN ACCOUNTING POLICIES

***First time adoption of Ind AS***

Our audited consolidated financial statements for Fiscal 2021 are the first financial statements prepared in accordance with Ind AS. Until Fiscal 2020 we had prepared our financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 ("**Previous GAAP**").

Accordingly, we prepared consolidated financial statements, which comply with Ind AS applicable for periods ending on March 31, 2021, together with the comparative period data as at and for the year ended March 31, 2020. In preparing these consolidated financial statements, our opening balance sheet was prepared as at April 1, 2019, our date of transition to Ind AS.

The Restated Consolidated Financial Information as at April 1, 2018 and for the year ended March 31, 2019 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e., April , 2019) following accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS. This is in accordance with requirements of SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note On Reports in Company Prospectuses issued by ICAI, as amended/revised.

### Ind AS Mandatory Exceptions Applied

***Estimates***

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2019 and March 31, 2020 are consistent with the estimates as at the same date made in conformity with the Previous GAAP.

***Classification and measurement of financial assets***

Ind AS 101 requires an entity to assess the classification and measurement of financial assets on the basis of facts and circumstances that exists at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition to Ind AS if retrospective application is impracticable. Accordingly, we determined the classification and measurement of financial assets at amortised cost based on the facts and circumstances that exist as on the date of transition.

***De-recognition of financial assets and liabilities***

Ind AS 101 requires an entity to apply de-recognition provisions of Ind AS prospectively for the transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows an entity to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initial accounting for those transactions. We elected to apply de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

***Impairment of financial assets***

At the date of transition to Ind AS, we determined that there is no increase in credit risk since the initial recognition of a financial instrument.

**Ind AS Optional Exemption Applied**

***Deemed Cost***

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, we elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

For further information, see "*Financial Information – Note 43: First Time Adoption of Ind AS*" and "*Financial Information – Summary of Significant Accounting Policies*" and "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Financial Data*" on pages 241, 200 and 11, respectively. Accordingly, other than as disclosed above, there have been no changes in our accounting policies during Fiscals 2019, 2020 and 2021 and in the three months ended June 30, 2021.

**AUDITOR'S OBSERVATIONS**

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited standalone and consolidated financial statements as of and for the years ended March 31, 2019, 2020 and 2021 and as of and for the three months ended June 30, 2021.

However, our Statutory Auditors have included a statement with respect to clause (vii) in the Companies (Auditors Report) Order 2016, as amended, where in they have mentioned that there have been slight delays in few cases in respect of deposit of Goods and Service Tax and Employee State Insurance in their report included as an annexure to the auditor's report on our audited standalone financial statements as of and for the year ended March 31 2021. For further information, see "*Financial Information – Note 44 – Restatement Adjustments*" on page 246.

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our management monitors and manages key financial risks relating to the operations of our Company by analysing exposures by degree and magnitude of risk. We are primarily exposed to credit, market and liquidity risk.

Our senior management has overall responsibility for the establishment and oversight of our Company's risk management framework. The senior management ensures that our Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our Company's policies and risk objectives. Risk management policies are reviewed regularly to reflect changes in market conditions and our Company's activities.

***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. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

*Finance Receivables*

Customer credit risk is managed as per our Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with the assessment. Outstanding finance receivables are regularly monitored.

*Inputs and Assumptions considered in the ECL model*

In assessing the impairment of loans assets under Expected Credit Loss (ECL) Model, the loan assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses.

We have used 'Benchmarking Analysis' in order to estimate ECL percentage due to lack of historical data to perform a trend analysis/regressions. The benchmark ECL ratios are considered from companies operating in similar domain. Observed Market benchmark ECL percentage was adjusted for certain company specific factors. We understand that the probability of default percentage is considered to be higher than the market benchmarks, for reason including initial business operations, small size of operations, etc. Accordingly, the market observed ECL percentage was increased by 50% on the ECL% estimation for the Stage 3 receivables of the Subject Company. Further, Stage 2 ECL percentage was considered 2x of the market observed benchmark and Stage 1 ECL percentage was considered to be 50% of selected Stage 2 ECL percentage. Allowance for doubtful finance receivables increased for the year ended March 31, 2021, primarily driven by economic environment, unemployment rates and impact on repayment capacity of borrowers due to prevailing conditions of COVID-19 in India.

*Impact of COVID-19*

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the assessment of impairment loss allowance on its loans which are subject to a number of judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy.

For further information, see "*Financial Information – Note 32: Financial Risk Management - (A) Credit Risk*" on page 230.

*Trade Receivables*

Customer credit risk is managed as per our Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with the assessment. Outstanding trade receviables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets described below. Our Company does not hold collateral as security. Our Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

*Bank Deposits*

Credit risk from balances with the banks is managed by our Company's treasury department in accordance with our Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit risk limits are reviewed by our Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Our Company considers that the deposits with banks have low credit risk based on the information available.

***Market Risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market price. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates to our Company's borrowings with floating interest rates.

For further information, see "*Restated Consolidated Financial Information – Note 32: Financial Risk Management*" on page 230.

*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. Our Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchase of services are denominated (i.e. USD) and the functional currency of our Company (i.e. INR).

***Liquidity Risk***

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash requirements. Our Company closely monitors its liquidity position and deploys a robust cash management system.

**UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Draft Red Herring Prospectus, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

**SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

**Known Trends or Uncertainties**

Our business has been affected and we expect will continue to be affected by the trends identified above in "*– Key Factors Affecting our Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on page 22. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

**FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 22, 123 and 252, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**NEW PRODUCT SEGMENTS**

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new product segments. For further information, see "*Our Business – Our Strategies*" on page 133.

**COMPETITIVE CONDITIONS**

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 123, 98 and 22, respectively, for further details on competitive conditions that we face across our various business segments.

**EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Three Months ended June 30, 2021*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*" above on pages 258, 260 and 262, respectively.

## SEGMENT REPORTING

Our operation predominantly comprises of only one segment. For further information, see "*Financial Information – Note 36: Segment Information*" on page 237.

## SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

## SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

There have been no significant developments after June 30, 2021, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

However, as a recent development, our Company has offered 196,183 equity shares of face value of ₹10 each pursuant to a rights issue to the holding company, Droom Pte. Limited, Singapore which were issued and allotted on August 11, 2021. Further on October 21, 2021, our Company has approved the issuance of bonus shares in the ratio of 1:11 on fully paid equity shares having face value of ₹1 per share through capitalisation of the securities premium. As part of a corporate restructuring exercise, we incorporated Droom Data Science Private Limited on September 4, 2021 and Droom Data Science Pte. (Singapore) Limited as wholly-owned Subsidiaries. Droom Data Science Pte. (Singapore) Limited has acquired equity shares of Droom International Pte. Limited and its subsidiaries from the holding company, Droom Pte. Limited. For further information, see "*History and Certain corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 159.

Our Company through our Subsidiary, Droom Data Science (Singapore) Pte. Limited has acquired full and complete title, interest and benefit in the legal ownership of the intellectual property of our holding company, Droom Pte. Limited. Droom Pte. Limited has transferred to Droom Data Science (Singapore) Pte), the legal ownership in and to the intellectual property without consideration. Prior to this, our Company recognized revenue from Droom Pte. Limited for content and brand development at a cost plus markup basis. Transfer of intellectual property from Droom Pte. Limited to Droom Data Science (Singapore) Pte. Limited will impact our Company's revenue at consolidated level as revenue will now arise from our Subsidiary, Droom Data Science (Singapore) Pte. Limited and same will be eliminated at a consolidated level.

## SIGNIFICANT ACCOUNTING POLICIES

### *Basis of Consolidation*

Consolidation of a subsidiary begins when our Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Restated Consolidated Financial Information include the financial information of our Company and its subsidiaries and associate as set out below:

| S. No. | Name of the Company | Percentage of ownership as on June 30, 2021 | Country of Incorporation | Percentage of ownership as on March 31, | | |
|---|---|---|---|---|---|---|
| | | | | 2021 | 2020 | 2019 |
| 1 | Droom Tech Insurance Broking Private Limited | 49% | India | 49% | 49% | 49% |
| 2 | Droom Finance Tech Private Limited* | - | India | - | 100% | 100% |
| 3 | Droom Tech Logistics Private Limited | 100% | India | 100% | 100% | 100% |
| 4 | Xeraphin Finvest | 100% | India | 100% | 100% | 10.77% |

| S. No. | Name of the Company | Percentage of ownership as on June 30, 2021 | Country of Incorporation | Percentage of ownership as on March 31, | | |
|---|---|---|---|---|---|---|
| | | | | 2021 | 2020 | 2019 |
| | Private Limited | | | | | |

** We have applied for striking off of Droom Finance Tech Private Limited on March 26, 2021.*

***Significant Accounting Judgements, Estimates and Assumptions***

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, 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. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Judgements**

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

*Revenue from contracts with customers*

Judgment is required in determining whether the Group is the principal or the agent in transactions between sellers and buyers. The Buyer accesses the Group's platform to identify Sellers and place orders for Sellers' products. The Group concluded it does not control the goods or services provided by sellers to buyer as:

- the Group does not pre-purchase or otherwise obtain control of the sellers' vehicles and related services prior to its transfer to the buyer;
- the Group does not direct sellers to sell their vehicles and related services on the Group's behalf, and sellers have the sole ability to decline a transaction; and
- the Group does not have inventory risk related to sellers' vehicles and related services.

*Determining lease term*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has some property lease arrangements with its vendors that include option to terminate the contract by either party at any time by giving advance notice or by the Group as per its discretion. The Group applied judgment in evaluating whether it is reasonably certain to exercise the termination option. It considered all the factors that create economic incentive for the Group to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Restated Consolidated Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Taxes*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilized before they expire. Significant management assumptions are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

*Defined benefit plans (gratuity benefit)*

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate are current best estimates of the expected mortality rates of plan members, both during and after employment. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

*Useful life of assets of Property, Plant and Equipment*

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

*Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating).

*Calculation of loss allowance*

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

*Fair value of equity-settled share-based transaction*

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date using Black-Scholes model.

***Summary of Significant Accounting Policies***

**Current Versus Non-Current Classification**

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified 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.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**Revenue Recognition**

The Group derives revenue primarily from following services:

- Sale of services comprising service fees such as selling service fees and pro-seller subscription fees
- Advertisement and Marketing Services
- Technology Support Services

The Group recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied upon transfer of control of service to a customer.

Transaction price is the amount of consideration to which the Group expects is entitled in exchange for transferring good or service to a customer excluding taxes or duties collected on behalf of Government. An entity estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

***Service Fees***

*Selling Service Fees*

The Group facilitates transaction for sale of vehicles and related services between buyers (end- users) and sellers on its online marketplace platform. The Group enters into agreement with sellers to use the platform for listing and selling their vehicles. The agreement between the Group and sellers defines the selling service fee that Group charges from its sellers based on category of such transaction. Buyers access the platform for free and the Group has no performance obligation to buyers. As a result, buyers are not the Group’s customer. The Group’s services include facilitating completion of e-commerce orders and related activities, including facilitating payments from
buyers and related services. In these types of contracts, there is only one performance obligation to sellers i.e., customers, which is to facilitate sale of underlying vehicle between buyers and sellers on the Group’s online marketplace platform. Therefore, selling service fees is recognized as revenue when transactions are completed on a marketplace platform, satisfying Group’s performance obligation.

*Pro Seller Subscription Services*

Pro seller subscription service revenue from sellers includes fees associated with pro-seller subscription services provided by the Group. Pro-seller subscription services provide Group's customers with access to personalized account management, that represents a single stand-ready obligation. Subscriptions are paid for at the time of or in advance of delivering the services. Revenue from such arrangements is recognized over the subscription period.

*Advertisement and Marketing Services*

Revenue from advertisement and marketing services is derived from sponsorship fees received in respect to various events by the Group and revenue for such events is recognized on the completion of respective events.

Additionally, Group provides advertisement revenue from the sale of online advertisements which are based on “impressions”, “clicks” and “leads” delivered to advertisers. The revenue for such transactions is recognized as the leads, impressions, or clicks are delivered to advertisers.

*Technology Support Services*

The Group recognizes revenue for technology support services such as design, development, and set-up of technology platform in accordance with agreements entered with customer on a straight- line basis over the contractual term.

*Unbilled Revenue*

We accrue for unbilled revenue for the services rendered between the last billing cycle and the balance sheet date. We have established allowance for credit loss with specific risk rate on unbilled receivables.

*Promotion and Incentive Expenses*

The Group offers incentives and promotions to end-users to encourage use of the Group’s online marketplace platform. These are offered in various forms such as discount coupons and incentives on Group’s online marketplace platform on time-to-time basis. The Group records the cost of these incentives and promotions as promotion and incentive expenses in ‘Other expenses” at the time they are redeemed by the end-user.

**Other Income**

*Interest income on loans*

Interest income from loans is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

*Investment in mutual funds*

The Group makes investments in short-term, high quality mutual funds. These investments have been pledged against the short-term borrowings availed by the Group, to the extent of outstanding amount of such borrowings. Profit and loss on sale and fair value gain and losses on such investments are included in ‘Other income’.

**Leases**

The Group’s leased assets primarily consist of leases for office space. The Group 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 in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes periods covered by extension options when it is reasonably certain that they will be exercised and includes periods covered by termination options when it is reasonably certain that they will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflect that the Group exercise a purchase option. The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on “Impairment of non- financial assets”.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if the Group changes its assessment if whether it will exercise an extension or a termination or a purchase option. The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Group has applied a practical expedient wherein the Group has ignored the requirement to separate non-lease components (such as maintenance services) from the lease components. Instead, the Group has accounted for the entire contract as a single lease contract.

**Cash and cash equivalents**

Cash comprises cash in hand, balances with payment gateways and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Foreign currency translations and translations**

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates. Transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

***Treatment of exchange differences***

Exchange differences on monetary items are recognized in the Statement of profit or loss in the period in which they arise.

**Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity, and other incentives to employees.

***Post-employment and termination benefit costs***

Payments to defined contribution benefit plans (i.e., provident fund and employee state insurance scheme) are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprises actuarial gains and losses which is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss. Past service cost is recognized in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income; and
- remeasurement

***Short-term and other long-term employee benefits***

A liability is recognized for short-term employee benefits accruing to employees in respect of salaries and performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**Share-based compensation**

The employees of the Group have been granted stock options by Droom Pte. Ltd., Singapore (the "Ultimate Holding Company"). The obligation of settlement of awards to the employees is with the Ultimate Holding Company and the Company does not have any obligation to payback the amount accrued for these awards. As per Ind AS 102, the awards given to the employees of the Company with these terms are classified as equity settled awards by the Company. The Group recognizes and measures compensation expense for all share-based awards based on the grant date fair value as per Ind AS 102 on Share Based Payments. The grant date fair value is determined under the option pricing model (Black-Scholes). Company follows graded vesting schedule for recognition of cost over the vesting term of the awards. The Group recognizes compensation expense for share based awards net of estimated forfeitures. Share-based compensation recognized in the Statement of Profit and Loss is based on awards ultimately expected to vest. As a result, the expense is reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

**Taxation**

Income tax expense comprises current tax and deferred tax.

***Current tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

***Deferred tax***

Deferred tax is provided using the asset and liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax losses and unused tax credits. Deferred tax assets are recognized 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 tax assets is reviewed at each reporting 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 tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items of recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and deferred taxes relate to the same taxable entity and the same taxation authority. The company has not recognized any Deferred tax assets on the unused tax losses due to lack of reasonable certainty to earn sufficient profits in future against which these tax losses can be utilized.

**Property, plant and equipment**

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates then separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

***Depreciation and amortization***

Depreciation is provided on the straight-line method. The estimated useful life of each asset as prescribed under Schedule II of the Companies Act, 2013 and based on technical assessment of internal experts (after considering the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence and understanding of past practices and general industry experience) are as depicted below:

| Asset category | Estimated useful lives |
|---|---|
| Computers | 3 years |
| Furniture & fixtures | 10 years |
| Office equipment | 5 years |
| Server and Network equipment | 6 years |
| Leasehold improvements | 3 years |

Depreciation on addition to the property, plant and equipment is provided on pro rata basis from the date the assets are acquired/ installed. Depreciation on sale/ deduction of plant, property and equipment assets is provided for up to the date of sale and deduction.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as of April 1, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Intangible assets**

During the year ended March 31, 2020, the Company acquired a regulatory license for disbursement of loans to buyers and dealers via an asset acquisition transaction. This license is amortized over its estimated useful life of 10 years using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

***Financial assets***

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

***Classification of financial instruments***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial asset at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following conditions are subsequently measured at amortized cost (except for financial asset that are designated as at fair value through profit or loss on initial recognition):
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments financial assets that meet the amortized cost criteria or the FVTOCI criteria may irrevocably be but are designated as at FVTPL are measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

***Subsequent measurement of financial instruments***

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

*Financial assets at amortized cost*

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Impairment of financial assets**

The Group applies the expected credit loss model for recognizing impairment loss on financial assets (including interest accrued and due on loans) measured at amortized cost, debt instruments, trade receivables, other contractual rights to receive cash or other financial asset and the same is recorded in consolidated statement of profit and loss. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

***Financial liabilities and equity instruments***

***Classification as debt or equity***

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

***Financial liabilities***

A financial liability is any liability that is:

- a contractual obligation:

  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments and is:

  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

***Financial liabilities at FVTPL***

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

***Financial liabilities subsequently measured at amortized cost***

Other financial liabilities are subsequently measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of a qualifying asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

***Derecognition of financial liabilities***

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**Provisions and contingent liabilities**

***Provisions***

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the amount recognized as a provision is the best estimate of the consideration expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

***Contingent liabilities***

A contingent liability is 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the Restated Consolidated Financial Information.

**Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units. Each cash-generating unit represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or cash-generating units. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Segment reporting**

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision market ("CODM") in deciding allocation of resources and in assessing performance. The Group's Global CEO is its CODM. The Group's CODM reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources and evaluating financial performance. As such, the Group has determined that it operates in one operating and reportable segment. Assets and liabilities are used interchangeably between segments, and these have not been allocated to the reportable segments.

**Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares except where the results are anti-dilutive.

**Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. There are no such recently issued standards or amendments to the existing standards for which the impact on the Restated Consolidated Financial Information is required to be disclosed.

For further information, see "*Financial Statements – Summary of Significant Accounting Policies*" on page 200.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at June 30, 2021, derived from Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 252 and 22, respectively.

(₹ *in million*)

| Particulars | Pre-Offer as at June 30, 2021 | As adjusted for the Offer |
|---|---|---|
| **Total borrowings** | | |
| - Long-term borrowings | 37.98 | [●] |
| - Short-term borrowings | 263.81 | |
| **Debt (A)** | 301.79 | **[●]** |
| | | |
| **Equity** | | |
| - Equity Share capital | 13.49 | [●] |
| - Other equity | 790.41 | [●] |
| **Equity (B)** | 803.90 | **[●]** |
| | | |
| **Debt equity ratio (A/B)** | 0.38 | **[●]** |

*Notes:*

*1) The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*

**Notes:**

1) *The above has been computed on the basis on amounts derived from the restated Ind AS summary balance sheet of the Company as on June 30, 2021.*
2) *The company is proposing to have public issue of shares comprising of Offer for Sale by the Promoter Selling Shareholders and issue of new Equity Shares.*
3) *Subsequent to June 30, 2021, our Company has split the fully paid-up equity share of face value of ₹ 10 each into 10 fully paid-up Equity Shares of face value of ₹ 1 each pursuant to a shareholders' resolution dated October 5, 2021. Further, our Company has issued and allotted bonus shares in the ratio of 11 Equity Shares for every one Equity Share held in the Company on October 22, 2021. The impact of such allotment has not been taken into account for the above disclosure of information.*
4) *The corresponding capitalization data for each of the above amounts given in the table is not determinable at this stage pending the completion of book building process and hence, the same have not been provided in the above statement.*

## FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as, *inter alia*, meeting its working capital requirements, matching short term cash flows mismatches in working capital requirements, and for general corporate purposes. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, such as, *inter alia*, effecting a change in our shareholding pattern, change in the management of our board and change in our capital structure in connection with or post the Offer. For details regarding the resolution passed by our Shareholders on October 17, 2021 authorizing the borrowing powers of our Board, see "*Our Management –Borrowing Powers*" on page 170.

As on September 30, 2021, the aggregated outstanding borrowings of our Company amounted to ₹ 1.00 million on a consolidated basis. Set forth below is a brief summary:

| Category of borrowing | Sanctioned amount as on September 30, 2021 (in ₹ million) | Outstanding amount as on September 30, 2021 (in ₹ million)^* |
|---|---|---|
| **Company** | | |
| **Secured** | | |
| *Working capital facilities* | 1,400.00 | – |
| Fund based | 1,400.00 | – |
| Non fund based | – | – |
| *Term Loan* | – | – |
| **Unsecured** | | |
| – | – | – |
| **Total (A)** | **1,400.00** | **–** |
| **Subsidiaries** | | |
| **Secured** | | |
| *Working capital facilities* | – | – |
| Fund based | – | – |
| Non fund based | – | – |
| *Term Loans* | 5.46 | 1.00 |
| **Unsecured** | | |
| – | – | – |
| **Total (B)** | **5.46** | **1.00** |
| **Total (A)+(B)** | **1,405.46** | **1.00** |

^*As certified by MGB & Co. LLP, Chartered Accountants, by way of certificate dated November 11, 2021.*
** Excludes interest accrued but not due.*

For details of our outstanding borrowings as on June 30, 2021 see "*Financial Statements*" on page 193.

**Principal terms of the facilities sanctioned to our Company:**

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company

1. ***Interest:*** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different facilities availed by the Company ranging from 2.35% per annum to 3.10% per annum on the base rate. Interest rate for certain facilities is also determined mutually between the parties. Rate on term loans (vehicle loan) is 9.73% per annum and the interest is payable monthly.

2. ***Tenor:*** The working capital facilities availed by us are available for a period ranging from three months to 12 months, depending upon the nature of facility utilized. Working capital facilities are sanctioned for 12 months and are subject to annual renewal of such facilities and may be repayable on demand. The car loans availed by us are typically available for a period of 37 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:

   a) Pledge units of our open-ended debt mutual funds
   b) Hypothecate our vehicles

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Pre-payment:*** The prepayment is typically permitted subject to prior intimation of prepayment made to and approval of the lender and payment of a prepayment fee as prescribed in the loan agreements with the lenders.

5. ***Re-payment:*** The working capital facilities are typically repayable on demand however each sub-limit has specific repayment period. We have to repay the car loans as per the repayment schedule detailed in the loan agreements entered into with the Banks.

6. ***Events of Default:*** Borrowing arrangements entered into by us contain certain standard events of default, including, *inter alia:*

   a) Failure to promptly pay any amount now or hereafter to the banks as and when the same shall become due or payable;
   b) Failure to duly observe or perform any obligations as per the agreements with the banks;
   c) Occurrence or existence of one or more events, conditions or circumstances (including any change in law), which in the opinion of the Banks could have a material adverse effect on our Company's ability to perform its obligations in accordance with the agreements entered into with the bank or be prejudicial to its businesses, operations and financial conditions;
   d) Any order being made or a resolution being passed for the winding up of our Company;
   e) The passing of any order of a court ordering, restraining or otherwise preventing our Company from conducting all or any material part of its business;
   f) Any change in respect of our Company's constitution, management or shareholding;
   g) Voluntary action by the Company or other parties for our Company's insolvency, winding up, dissolution or other related action;
   h) Threat or apprehension of or occurrence of any damage or loss or theft, misappropriation or destruction of any of the secured assets; and
   i) Cross default by the Company on amounts due to any other lender, subject to the terms of the relevant borrowing arrangement.

   The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

   Additionally, our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans are not triggered.

7. ***Restrictive Covenants*:** Certain borrowing arrangements entered into by us contain restrictive covenants, including, inter alia, that the borrower cannot without prior written consent or intimation*:*

   a) Raise any further loans or avail any facilities from any other bank or institution;
   b) Reduce or change the promoter shareholding or promoter directorship if it would result in change of management control;
   c) Pledge shares of promoters if the pledge enforcement has the potential to change management control;
   d) Enter into any management contract or similar arrangement whereby its business or operations are managed by another person;
   e) Declare/pay any divided or make any distribution to its shareholders;
   f) Effect any change in its capital structure or constitutional documents; and
   g) Undertake or permit any merger/ demerger, consolidation, compromise with its creditors or shareholders.

   This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us. For details, see "*Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows*" on page 38.

## SECTION VI: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) outstanding claims relating to direct and indirect taxes; and (iv) other pending litigation/arbitration proceedings as determined to be material by our Board pursuant to the materiality policy (as disclosed herein below) involving our Company, its Subsidiaries, its Directors and its Promoters as well as no (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*For the purposes of (iv) above in terms of the materiality policy adopted by a resolution of our Board dated October 22, 2021 ("**Materiality Policy**"):*

*Any pending litigation or arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving our Company, Subsidiaries, Directors and Promoters shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:*

- *(a)* *the aggregate monetary claim made by or against our Company, Subsidiaries, Directors and/or Promoters (individually or in aggregate), in any such pending litigation / arbitration proceeding is equal to or in excess of 1% of total income of the Company, in the most recently completed Fiscal as per the Restated Consolidated Financial Statements, which is ₹ 13.55 million; or*
- *(b)* *any such litigation wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position, or reputation of the Company.*

*have been considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.*

*For the purposes of the above, pre-litigation notices received by the Company, Subsidiaries, Directors, Promoters or a Group Company (collectively the "**Relevant Parties**") from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board of Directors, not be considered a material litigation until such time that the Relevant Party is impleaded as a defendant in proceedings before any judicial / arbitral forum.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the total consolidated trade payables of our Company as of the end of the latest period included in the Restated Consolidated Financial Statements. The consolidated trade payables of our Company as on June 30, 2021 was ₹ 327.41 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 16.37 million as on June 30, 2021.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

### Litigation involving our Company

#### *Litigation against our Company*

A. *Outstanding criminal proceedings*

NIL

B. *Actions initiated by regulatory or statutory authorities*

NIL

C. *Outstanding material civil litigation*

NIL

***Litigation by our Company***

*A.* *Outstanding criminal proceedings*

1. 81 criminal complaints have been filed by our Company against certain of its customers before various judicial fora under Section 138 of the Negotiable Instruments Act, 1881 for cheques which on presentation were dishonoured by the bank. The aggregate amount involved in these matters is ₹ 31.68 million. These matters are currently pending.

*B.* *Outstanding material civil litigation*

NIL

**Litigation involving our Subsidiaries**

***Litigation against our Subsidiaries***

***Litigation against DTLPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against DFTPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against XFPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against DDSPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against Droom Singapore***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against Droom International***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against Droom Thailand***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation against Droom Malaysia***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Actions initiated by regulatory or statutory authorities*

NIL

*C.* *Outstanding material civil litigation*

NIL

***Litigation by our Subsidiaries***

***Litigation by DTLPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

***Litigation by DFTPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

***Litigation by XFPL***

*A.* *Outstanding criminal proceedings*

1. 2 criminal complaints have been filed by XFPL against certain of its customers before various judicial fora under Section 138 of the Negotiable Instruments Act, 1881 for cheques which on presentation were dishonoured by the bank. The aggregate amount involved in these matters is ₹ 2.50 million. These matters are currently pending.

*B.* *Outstanding material civil litigation*

NIL

***Litigation by DDSPL***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

***Litigation by Droom Singapore***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

***Litigation by Droom International***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

***Litigation by Droom Thailand***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

***Litigation by Droom Malaysia***

*A.* *Outstanding criminal proceedings*

NIL

*B.* *Outstanding material civil litigation*

NIL

**Litigation involving our Promoters**

***Litigation against our Promoters***

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Promoters. Further, no actions have been initiated against our Promoters by any regulatory/ statutory authorities and there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoters in the last five financial years including any outstanding action.

**Outstanding litigation involving our Group Companies which has a material impact on our Company**

As on the date of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which will have a material impact on our Company.

**Litigation involving our Directors (other than our Promoter)**

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Directors. Further, except as mentioned below, no actions have been initiated against our Directors by any regulatory or statutory authorities.

*Rajat Kumar Jain*

The Registrar of Companies, Delhi, filed a complaint against the board of directors of Xerox India in 2014. Rajat Jain was then a managing director of Xerox India and was also impleaded in the complaint. This complaint was regarding an excess of ₹ 2 million paid to an expat as managerial remuneration. The Registrar of Companies, Delhi, was of the view that this amount was wrongly paid, and the amount should be recovered from the expat. It should be noted that this amount was paid in Fiscal 2008-09, when Rajat Jain was not on the board of Xerox India. Rajat Jain and other directors have approached Punjab and Haryana High Court to quash the complaint under section 482 of the Code of Criminal Procedure. While this application is pending, Xerox India has recovered the amount from the expat and disclosed it in its latest annual report, thereby addressing the cause of action.

**Tax Proceedings**

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Subsidiaries, Directors or Promoter

*(in ₹ million)*

| Nature of cases | Number of cases | Amount involved |
|---|---|---|
| ***Company*** | | |
| Direct Tax | Nil | Nil |

| Nature of cases | Number of cases | Amount involved |
|---|---|---|
| Indirect Tax[#] | Nil | Nil |
| ***Subsidiaries*** | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| ***Promoters*** | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| ***Directors (other than Promoter)*** | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| **Total** | Nil | Nil |

[#] *Excludes appeal filed by the Company before the Commissioner (Appeals) against rejection of refund application for refund of excess indirect tax (GST) amount of ₹9.88 million.*

### Outstanding dues to Creditors

As per the Materiality Policy dated October 22, 2021, creditors to whom an amount exceeding ₹ 16.37 million, which is 5% of the total consolidated trade payables of our Company as of the end of the latest period included in the Restated Consolidated Financial Statements, were considered 'material' creditors. Based on the above, there are no material creditors of our Company as on June 30, 2021, to whom an aggregate amount equal to or more of ₹ 16.37 million was outstanding. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at June 30, 2021 by our Company, are set out below:

| Type of creditors | Number of creditors | Amount involved (in ₹ million) |
|---|---|---|
| Micro, small and medium enterprises | 3 | 1.08 |
| Material creditors | – | – |
| Other creditors | 80 | 9.50* |
| **Total** | **83** | **10.58** |

**Excluding provision for expenses.*

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at droom.in/ir.

### Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 252, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, operations or our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

# GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary material consents, licenses, permissions, registrations and approvals from the Government of India, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus. Certain licenses/ approvals may have expired in their normal course and our Company, as applicable, has either made applications to the appropriate authorities for such licenses/ approvals, or is in the process of making such applications, including pursuant to the change in its name due to conversion from a private limited company to a public limited company. For further details in connection with the applicable regulatory and legal framework, please see the section entitled "Key Regulations and Policies in India" on page 152. Further, for details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, cash flows and results of operations" on page 43.*

**Approvals relating to the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 292.

***Incorporation details of our Company***

1. Certificate of incorporation dated September 9, 2014 issued by the RoC to our Company in the name of '*Droom Technology Private Limited*'.
2. Fresh certificate of incorporation dated September 14, 2021 issued by the RoC, consequent upon change of name from 'Droom Technology Private Limited' to 'Droom Technology Limited', pursuant to conversion of our Company from a private limited company to a public limited company.

**Material Approvals obtained by our Company in relation to our business and operations**

We require various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements as disclosed below. We have received the following material approvals pertaining to our business:

***1. Tax related approvals***

(a) Permanent Account Number AAFCD1121K, issued by the Income Tax Department, Government of India.
(b) Tax Deduction Account Number DELD15601F, issued by the Income Tax Department, Government of India.
(c) Registration certificates issued under the relevant goods and service tax acts of the respective states where our branches are located. The GST registration number of our Registered Office is 07AAFCD1121K1CA.
(d) Import Export Code of our Company is AAFCD1121K, issued by the Zonal Director General of Foreign Trade.
(e) Service tax code registration with the Central Board of Excise and Customs.

***2. Approvals in relation to our operations***

In order to operate as a commercial establishment in India, our Company has also obtained the necessary registration under the state specific shops and establishment act for the state of Haryana, where its Corporate Office is located.

***3. Labour related approvals***

(i) Registration for employees' provident fund with the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
(ii) Registration for employees' insurance with the relevant regional office of the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948.

***4. Intellectual Property related approvals***

*Trademarks*

As on date of this Draft Red Herring Prospectus, our Company has applied for 64 trademark registrations under the Trademarks Act, 1999 of which; 46 trademarks are registered, nine trademark applications are presently objected, three trademark applications are presently opposed, five trademark applications have been submitted and one trademark application's request for amendment is being subject to processing.

Our Company has registered the droom trademark under class 35 with the Registrar of Trademarks in India under the Trade Marks Act, 1999 in its name.

*Other Intellectual Property*

Our Company has obtained a copyright for its literary work, OBV Colada and 'Orange Book Value – Resale ka MRP'. Our individual promoter, Sandeep Aggarwal has been granted a patent for a used-vehicle algorithmic pricing engine. He has also filed for a patent for our germ treatment facilities and has made provisional applications with the United State Patent and Trademark Office for a credit risk assessment system for used vehicle financing, automated deals evaluation and management platform, engine diagnostics for vehicles using OBD port, OBV buyback program, rating new vehicles in an online vehicle platform, system of implementing a token transfer feature, our automated vehicle cleaning platform and our system of an online vehicle sale website.

**Material Approvals in relation to our Material Subsidiary**

Xeraphin Finvest Private Limited, our Material Subsidiary has obtained the necessary approvals from the appropriate authorities, which are required for it to conduct its business.

***Incorporation details of our Material Subsidiary***

Certificate of incorporation dated September 11, 1996 issued by the RoC to our Material Subsidiary in the name of '*Xeraphin Finvest Private Limited*'.

***1. Tax related approvals***

(a) Permanent Account Number AAACX00478, issued by the Income Tax Department, Government of India.
(b) Tax Deduction Account Number DELD15601F, issued by the Income Tax Department, Government of India.
(c) The GST registration number for our Material Subsidiary is 07AAACX0047R1ZZ, for the National Capital Territory of Delhi, where its registered office is located

***2. Approvals in relation to our operations***

Our Material Subsidiary is a registered NBFC. It has obtained a certificate of registration from the Reserve Bank of India on April 12, 2001 through which it was authorised to carry on the business of non-banking financial institution.

In order to operate as a commercial establishment in India, it has also obtained the necessary registration under the specific shops and establishment act for the state of Haryana, where its offices are located.

**Material Approvals applied for but not received**

As on the date of this Draft Red Herring Prospectus, there are no approvals for which applications have been made but not yet received by our Company or our Material Subsidiary.

**Approvals expired and renewal to be applied for**

As on the date of this Draft Red Herring Prospectus, there are no approvals that have expired but have not been renewed by our Company or our Material Subsidiary.

**Approvals required but not obtained or applied for**

As on the date of this Draft Red Herring Prospectus, there are no approvals which our Company or Material Subsidiary were required to obtain or apply for, but which have not been obtained or been applied for.

# OTHER REGULATORY AND STATUTORY DISCLOSURES

## Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on October 16, 2021 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated October 17, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated November 9, 2021. Resolution of the Board of Directors dated November 10, 2021 approving this Draft Red Herring Prospectus and resolution of the IPO Committee dated November 11, 2021 approving this Draft Red Herring Prospectus.

The Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see "*The Offer*" on page 56.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

## Prohibition by SEBI or other Governmental Authorities

Except for our CEO and Promoter, Sandeep Aggarwal, who is subject to an administrative order by the SEC, our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. For further details, please refer to "*Risk Factors – Our CEO and Promoter, Sandeep Aggarwal ("Mr. Aggarwal"), was charged with criminal offenses relating to insider trading that were subsequently dismissed. He is however enjoined from future violation of certain United States securities laws and is subject to an administrative order ("SEC Order") by the U.S. Securities and Exchange Commission ("SEC"), and failure to comply with such order could result in civil or criminal charges against him which could have an adverse impact on our business prospects, financial condition, results of operations and our reputation.*" on page 26.

Our Company or any of our Promoters or Directors are not declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Promoter Selling Shareholder confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

## Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Promoter Selling Shareholder confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

## Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy- five per cent. of the offer to qualified institutional buyers and to refund the full subscription money if it fails to do so."

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot at least 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, the Promoter Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;
(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
(iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);
(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;
(vi) Our Company has entered into tripartite agreements dated September 1, 2021 and August 25, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares. Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC;
(vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;
(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith; and
(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
(x) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.
(xi) The Promoter Selling Shareholder confirms that the Equity Shares offered as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED (“BRLMs”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 11, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

**Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and BRLMs**

Our Company, the Promoter Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website droom.in, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company, Promoter Selling Shareholder and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholder, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholder, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

**Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable laws) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholder since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be issued, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any issue hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiaries, the Promoter Selling Shareholder, the Promoters, members of our Promoter Group or our Group Companies since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as at any time subsequent to this date.

**No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

**Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

***Equity Shares Offered and Sold within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   **THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

11. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

***All Other Equity Shares Offered and Sold in this Offer***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   **THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES**.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

**European Economic Area**

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a "**Relevant Member State**"), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Regulations, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulations;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Directive), subject to obtaining the prior consent of the BRLMs; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for our Company, the Selling Shareholders or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 23 of the Prospectus Directive.

For the purposes of this paragraph, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Directive" means Regulation (EU) 2017/1129.

**United Kingdom**

No Equity Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article

74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of BRLMs for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of Equity Shares shall result in a requirement for our Company, the Selling Shareholders or any BRLM to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

**Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"*Any person who –*
*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscription of its securities; or*
*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447*."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

**Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Listing**

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. The Promoter Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Promoter Selling Shareholder in relation to their portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

For the avoidance of doubt, all refunds made, interest borne, and expenses incurred (with regard to delayed payment of refunds), by the Company on behalf of the Promoter Selling Shareholder to the extent of the Equity Shares offered by the Promoter Selling Shareholder in the Offer, will be adjusted or reimbursed by the Promoter Selling Shareholder to the Company, in accordance with Applicable Law, provided that the Promoter Selling Shareholders shall be liable or responsible to pay any interest or expenses unless such delay is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder.

**Consents**

Consents in writing of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, CFO, Bankers to our Company, the BRLMs, Registrar to the Offer have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank and the Monitoring Agency to act in their respective capacities, will be obtained as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

**Expert to the Offer**

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

Our Company has received written consent dated November 11, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated November 10, 2021 on our Restated Financial Information; and (ii) their report dated November 11, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has also received written consent dated November 10, 2021 from MGB & Co LLP, Chartered Accountants as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, to include their name in this Draft Red Herring Prospectus, and as an "expert" as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations to the extent and in their capacity as Independent Chartered Accountants in respect of the reports and certificates provided by them in relation to the Offer.

Further, our Company has received written consent dated November 10, 2021 from Grant Thornton as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, to include their name in this Draft Red Herring Prospectus, and as an "expert" as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations to the extent and in their capacity as an industry vendor in respect of their report titled "*Auto E-commerce Market*" dated November, 2021

**Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years**

Other than as disclosed in "*Capital Structure*" on page 70, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

**Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

**Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public issues during the last five years. Other than as disclosed in "*Capital Structure"* on page 70, our Company has not undertaken any rights issue in the last five years

**Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company**

The corporate promoter and our Subsidiaries are not listed on any stock exchange.

**Price information of past issues handled by the BRLMs**

**1) ICICI Securities Limited**

1. Price information of past issues handled by ICICI Securities Limited

| Sr. No. | Issue Name | Issue Size (₹ Mn.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Dodla Dairy Limited | 5,201.77 | 428.00 | 28-Jun-21 | 550.00 | +44.94%,[-0.43%] | +40.02%,[+12.89%] | NA* |
| 2 | G R Infraprojects Limited | 9,623.34 | 837.00(1) | 19-Jul-21 | 1,715.85 | +90.82%,[+5.47%] | +138.85%,[+16.42%] | NA* |
| 3 | Tatva Chintan Pharma Chem Limited | 5,000.00 | 1,083.00 | 29-July-21 | 2,111.85 | +92.54%,[+5.87%] | +136.37%,[+15.78%] | NA* |
| 4 | Nuvoco Vistas Corporation Limited | 50,000.00 | 570.00 | 23-Aug-21 | 485.00 | -5.91%,[+6.46%] | NA* | NA* |
| 5 | Chemplast Sanmar Limited | 38,500.00 | 541.00 | 24-Aug-21 | 550.00 | +2.06%,[+5.55%] | NA* | NA* |
| 6 | Aptus Value Housing Finance India Limited | 27,800.52 | 353.00 | 24-Aug-21 | 333.00 | -2.82%,[+5.55%] | NA* | NA* |
| 7 | Vijaya Diagnostic Centre Limited | 18,944.31 | 531.00(2) | 14-Sept-21 | 540.00 | +5.41%,[+4.50%] | NA* | NA* |
| 8 | Sansera Engineering Limited | 12,825.20 | 744.00(3) | 24-Sept-21 | 811.50 | +0.35%,[+1.47%] | NA* | NA* |
| 9 | Aditya Birla Sun Life AMC Limited | 27,682.56 | 712.00 | 11-Oct-21 | 715.00 | -11.36%,[+0.55%] | NA* | NA* |
| 10 | FSN E-Commerce Ventures Limited | 53,497.24 | 1,125.00(4) | 10-Nov-21 | 2,018.00 | NA* | NA* | NA* |

**Data not available*

(1) *Discount of ₹ 42 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 837.00 per equity share.*
(2) *Discount of ₹ 52 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 531.00 per equity share.*
(3) *Discount of ₹ 36 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 744.00 per equity share.*
(4) *Discount of ₹ 100 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 1,125.00 per equity share*

2. Summary statement of price information of past issues handled by ICICI Securities Limited

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ Mn.) | No.–of IPOs trading at discount - 30th calendar days from listing | | | No– of IPOs trading at premium - 30th calendar days from listing | | | No.–of IPOs trading at discount - 180th calendar days from listing | | | No– of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2021-22* | 12 | 2,83,162.91 | - | - | 3 | 2 | 3 | 3 | - | - | - | 1 | - | - |
| 2020-21 | 14 | 1,74,546.09 | - | - | 5 | 5 | 2 | 2 | - | 1 | 3 | 5 | 3 | 2 |
| 2019-20 | 4 | 49,850.66 | - | - | 2 | - | 1 | 1 | 1 | - | - | 2 | - | 1 |

* This data covers issues up to YTD

**Notes:**
1. All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.com
2. Benchmark index considered is NIFTY

3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

## 2) Axis Capital Limited

1. Price information of past issues handled by Axis Capital Limited

| Sr. No. | Issue Name | Issue Size (₹ Mn.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Aditya Birla Sun Life AMC Limited | 27,682.56 | 712.00 | 11-Oct-21 | 715.00 | -11.36%, [+0.55%] | - | - |
| 2 | Ami Organics Limited | 5,696.36 | 610.00 | 14-Sep-21 | 910.00 | +117.07%, [+4.50%] | - | - |
| 3 | Chemplast Sanmar Limted | 38,500.00 | 541.00 | 24-Aug-21 | 550.00 | +2.06%, [+5.55%] | - | - |
| 4 | Nuvoco Vistas Corporation Limited | 50,000.00 | 570.00 | 23-Aug-21 | 485.00 | -5.91%, [+6.46%] | - | - |
| 5 | Cartrade Tech Limited | 29,985.13 | 1,618.00 | 20-Aug-21 | 1,599.80 | -10.31%, [+6.90%] | - | - |
| 6 | Clean Science And Technology Limited | 15,466.22 | 900.00 | 19-Jul-21 | 1,755.00 | +66.33%, [+5.47%] | +138.53%, [+16.42%] | - |
| 7 | India Pesticides Limited | 8,000.00 | 296.00 | 5-Jul-21 | 350.00 | +12.64%, [+1.87%] | +4.26%, [+10.72%] | - |
| 8 | Krishna Institute Of Medical Sciences Limited! | 21,437.44 | 825.00 | 28-Jun-21 | 1,009.00 | +48.10%, [-0.43%] | +48.35%, [+12.89%] | - |
| 9 | Dodla Dairy Limited | 5,201.77 | 428.00 | 28-Jun-21 | 550.00 | +44.94%, [-0.43%] | +40.02%, [+12.89%] | - |
| 10 | Shyam Metalics And Energy Limited@ | 9,085.50 | 306.00 | 24-Jun-21 | 380.00 | +40.95%, [+0.42%] | +22.65%, [+11.22%] | - |

*Source: www.nseindia.com*
*@ Offer Price was` 291.00 per equity share to Eligible Employees*
*! Offer Price was` 785.00 per equity share to Eligible Employees*

*Notes:*

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY is considered as the Benchmark Index.*
c. *Price on NSE is considered for all of the above calculations.*
d. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues handled by Axis Capital Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ Mn.) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-2022* | 12 | 240,583.72 | - | - | 3 | 2 | 4 | 3 | - | - | - | 2 | - | - |
| 2020-2021 | 11 | 93,028.90 | - | - | 6 | 2 | 1 | 2 | - | 1 | 1 | 4 | 3 | 2 |
| 2019-2020 | 5 | 161,776.03 | - | 1 | 2 | - | - | 2 | 1 | 1 | - | - | - | 3 |

** The information is as on the date of the document*
*The information for each of the financial years is based on issues listed during such financial year.*

*Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available..*

## 3) Edelweiss Financial Services Limited

1. Price information of past issues handled by Edelweiss Financial Services Limited

| Sr. No. | Issue Name | Issue Size (₹ Mn.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Vijaya Diagnostic Centre Limited | 18,942.56 | 531.00* | September 14, 2021 | 540.00 | 5.41% [4.50%] | Not Applicable | Not Applicable |
| 2 | Aptus Value Housing Finance India Limited | 27,800.52 | 353.00 | August 24, 2021 | 333.00 | -2.82% [5.55%] | Not Applicable | Not Applicable |
| 3 | Devyani International Limited | 18,380.00 | 90.00 | August 16, 2021 | 140.90 | 32.83% [4.93%] | Not Applicable | Not Applicable |
| 4 | Powergrid Infrastructure Investment Trust | 77,349.91 | 100.00 | May 14, 2021 | 104.00 | 14.00% [7.64%] | 22.04% [10.93%] | 21.83% [22.94%] |
| 5 | Macrotech Developers Limited | 25,000.00 | 486.00 | April 19, 2021 | 436.00 | 30.22% [5.21%] | 75.43% [10.89%] | 146.32% [27.71%] |

| Sr. No. | Issue Name | Issue Size (₹ Mn.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 6 | Stove Kraft Limited | 4,126.25 | 385.00 | February 5, 2021 | 498.00 | 30.68% [0.09%] | 28.92% [-2.05%] | 115.34% [8.08%] |
| 7 | Indigo Paints Limited^ | 11,691.24 | 1,490.00^ | February 2, 2021 | 2,607.50 | 75.72% [4.08%] | 55.40% [-0.11%] | 74.84% [7.61%] |
| 8 | Burger King India Limited | 8,100.00 | 60.00 | December 14, 2020 | 112.50 | 146.5% [7.41%] | 135.08% [10.86%] | 168.25% [16.53%] |
| 9 | Equitas Small Finance Bank Limited | 5,176.00 | 33.00 | November 2, 2020 | 31.10 | 5.45% [12.34%] | 19.55% [16.84%] | 68.18% [25.38%] |
| 10 | Mazagon Dock Shipbuilders Limited | 4,436.86 | 145.00 | October 12, 2020 | 214.90 | 18.90% [5.87%] | 52.90% [20.25%] | 45.79% [24.34%] |

*Source: www.nseindia.com*

*^ Indigo Paints Limited - A discount of ₹ 148 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹1490 per equity share*
**Vijaya Diagnostic Centre Limited - A discount of ₹ 52 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹531 per equity share*

***Notes***
1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4. *The Nifty 50 index is considered as the benchmark index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues handled by Edelweiss Financial Services Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ Mn.) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Less than 25% |
| 2021-22* | 5 | 1,67,472.99 | - | - | 1 | - | 2 | 2 | - | - | - | 1 | - | 1 |
| 2020-21 | 7 | 45,530.35 | - | - | 1 | 3 | 1 | 2 | - | - | 1 | 5 | 1 | - |
| 2019-20 | 3 | 23,208.49 | - | - | - | - | 1 | 2 | - | 1 | - | 1 | - | 1 |

*The information is as on the date of the document*
1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*

*3. The Nifty 50 index is considered as the Benchmark Index.*

**For the financial year 2021-22- 5 issues have been completed of which 2 issue has completed 180 calendar days.*

## 4) HSBC Securities and Capital Markets (India) Private Limited

1. Price information of past issues handled by HSBC Securities and Capital Markets (India) Private Limited

| Sr. No. | Issue Name | Issue Size (₹ Mn.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1. | SBI Cards and Payment Services (IPO) | 103,407.88 | 755.00 | 16-Mar-20 | 661.00 | -33.05%, [-2.21%] | -21.79%, [+8.43%] | +12.5%, [+24.65%] |
| 2. | Yes Bank Limited (FPO) | 150,000.00 | 12.00 | 27-Jul-20 | 12.30 | +22.92%, [+3.06%] | +10.83%, [+7.17%] | +41.67%, [+29.11%] |
| 3. | Indian Railway Finance Corporation Limited (IPO) | 46,333.79 | 26.00 | 29-Jan-21 | 24.90 | -5.19%, [+6.56%] | -18.65%, [+9.02%] | -11.15%, [+15.49%] |
| 4. | Nuvoco Vistas Corporation Limited (IPO) | 50,000.00 | 570.00 | 23-Aug-21 | 485.00 | -5.91%, [+6.46%] | Not Applicable | Not Applicable |

*Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details*

*Notes:*

1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY is considered as the Benchmark Index.*
3. *Price on NSE is considered for all of the above calculations.*
4. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
5. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not applicable*

2. Summary statement of price information of past issues handled by HSBC Securities and Capital Markets (India) Private Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ Mn.) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Less than 25% |
| 2021-22 | 1 | 50,000.00 | - | - | 1 | - | - | - | - | - | - | - | - | - |
| 2020-21 | 2 | 196,333.79 | - | - | 1 | - | - | 1 | - | - | 1 | - | 1 | - |
| 2019-20 | 1 | 103,407.88 | - | 1 | - | - | - | - | - | - | - | - | - | 1 |

## 5) Nomura Financial Advisory and Securities (India) Private Limited

1. Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

| Sr. No. | Issue Name | Issue Size (₹ Mn.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Sansera Engineering | 12,829.78 | 744.00 | September 24, 2021 | 811.50 | +0.35% [+1.47%] | Not applicable | Not applicable |
| 2 | CarTrade Tech Limited | 29,985.13 | 1,618.00 | August 20, 2021 | 1,599.80 | -10.31% [+5.75%] | Not applicable | Not applicable |
| 3 | Sona BLW Precision Forgings Limited | 55,500 | 291 | June 24, 2021 | 301.00 | +45.45% [+0.47%] | +94.54% [+11.22%] | Not applicable |
| 4 | Nazara Technologies Limited | 5,826.91 | 1,101[1] | March 30, 2021 | 1,990.00 | +62.57% [+0.13%] | +38.22% [+6.84%] | +96.19% [+20.26%] |
| 5 | Gland Pharma Limited | 64,795.45 | 1,500 | November 20, 2020 | 1,710.00 | +48.43% [+7.01%] | +57.27% [+18.27%] | +104.17% [17.49%] |
| 6 | Computer Age Management Services Limited | 22,421.05 | 1,230[2] | October 1, 2020 | 1,518.00 | +5.43%[+2.37%] | +49.52%[+23.04%] | +43.80%[+26.65%] |
| 7 | Happiest Minds Technologies Limited | 7,020.16 | 166 | September 17, 2020 | 350.00 | +96.05% [+2.14%] | +93.25% [+17.82%] | +221.27% [+29.64%] |
| 8 | SBI Cards & Payment Services Limited | 103,407.88 | 755[3] | March 16, 2020 | 661.00 | -33.05%, [-2.21%] | -21.79%, [+8.43%] | +12.50% [+24.65%] |
| 9 | Affle (India) Limited | 4,590.00 | 745 | August 8, 2019 | 926.00 | +12.56%, [-0.78%] | +86.32%, [+8.02%] | +135.49%,[+6.12%] |

*Source: www.nseindia.com*

1. *Discount of INR110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
2. *Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
3. *Price for Eligible Employees bidding in the Employee Reservation Portion was INR680.00 per equity share*

*Notes:*

a. *Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index*
b. *Price on NSE is considered for all of the above calculations except for Computer Age Management Services Limited.*
c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*

*d. Not applicable – Period not completed*

2. Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

| **Financial Year** | **Total no. of IPOs** | **Total funds raised (₹ Mn.)** | **Nos. of IPOs trading at discount on as on 30th calendar days from listing date** | | | **Nos. of IPOs trading at premium on as on 30th calendar days from listing date** | | | **Nos. of IPOs trading at discount as on 180th calendar days from listing date** | | | **Nos. of IPOs trading at premium as on 180th calendar days from listing date** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **Over 50%** | **Between 25%-50%** | **Less than 25%** | **Over 50%** | **Between 25%-50%** | **Less than 25%** | **Over 50%** | **Over 50%** | **Between 25%-50%** | **Less than 25%** | **Over 50%** | **Less than 25%** |
| 2021-2022 | 3 | 98,314.91 | - | - | 1 | - | 1 | 1 | - | - | - | - | - | - |
| 2020-2021 | 4 | 100,063.57 | - | - | - | 2 | 1 | 1 | - | - | - | 2 | 1 | - |
| 2019-2020 | 2 | 107,997.88 | - | 1 | - | - | - | 1 | - | - | - | 1 | - | 1 |

***Source**: www.nseindia.com*

***Notes:***

*a) The information is as on the date of this document.*

*b) The information for each of the financial years is based on issues listed during such financial year.*

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below:

| S. No. | Name of BRLM | Website |
|---|---|---|
| 1. | ICICI Securities Limited | www.icicisecurities.com |
| 2. | Axis Capital Limited | www.axiscapital.co.in |
| 3. | Edelweiss Financial Services | www.edelweissfin.com |
| 4. | HSBC Securities and Capital Markets (India) Private Limited | www.hsbc.co.in |
| 5. | Nomura Financial Advisory and Securities (India) Private Limited | www.nomuraholdings.com/company/group/asia/india/index.html |

**Stock Market Data of Equity Shares**

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

**Mechanism for Redressal of Investor Grievances**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Chief Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Neither of our Group Companies are listed on any stock exchange.

**Disposal of Investor Grievances by our Company**

Our Company will obtain authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be four Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Anil Dwivedi, Company Secretary of our Company, as the Chief Compliance Officer for the Offer. For details, see "*General Information*" on page 61.

Our Company has constituted a Stakeholders' Relationship Committee comprising of three directors as members. For details, see "*Our Management – Stakeholders' Relationship Committee*" on page 175.

## SECTION VII: OFFER INFORMATION

## TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 334.

**Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 192 and 334, respectively.

**Face Value, Offer Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 1 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

**The Offer**

The Offer comprises a Fresh Issue and an Offer for Sale by the Promoter Selling Shareholder

Expenses for the Offer shall be shared amongst our Company and the Promoter Selling Shareholder in the manner specified in "*Objects of the Offer – Offer Expenses*" on page 85.

**Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 334.

**Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Kfin Technologies Private Limited:

- Tripartite agreement dated August 25, 2021 amongst our Company, NSDL and Kfin Technologies Private Limited.
- Tripartite agreement dated September 1, 2021 amongst our Company, CDSL and Kfin Technologies Private Limited.

**Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure"* on page 318.

**Joint Holders**

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

**Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

**Bid/Offer Programme**

| | |
|---|---|
| **BID/OFFER OPENS ON** | [●][(1)] |
| **BID/OFFER CLOSES ON** | **[●]**[(2)] |

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

(2) *Our Company and the Promoter Selling Shareholder in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

An indicative timetable in respect of the Offer is set out below:

| Event | Indicative Date |
|---|---|
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account* | On or about [●] |
| Credit of Equity Shares to demat accounts of Allottees | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about [●] |

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Promoter Selling Shareholder or the BRLMs.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Daysof the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.**

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**Submission of Bids (other than Bids from Anchor Investors):**

| **Bid/Offer Period (except the Bid/Offer Closing Date)** | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**") |
| **Bid/Offer Closing Date*** | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |

**UPI mandate end time and date shall be at 12.00pm on [●]*

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company and the Promoter Selling Shareholder or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**Minimum Subscription**

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Promoter Selling Shareholder, to the extent applicable, and our Company shall pay interest prescribed under the applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Promoter Selling Shareholder shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Promoter Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Promoter Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Promoter Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

**Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

**New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

**Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 70 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* beginning on page 334.

**Withdrawal of the Offer**

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

## OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 20,000 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹10,000 million by the Promoter Selling Shareholder. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of an amount aggregating up to ₹ 4,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and must be completed prior to filing of the Red Herring Prospectus with the RoC. Any amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue in accordance with applicable law.

The Offer is being made through the Book Building Process.

| **Particulars** | **QIBs(1)** | **Non-Institutional Bidders** | **Retail Individual Bidders** |
|---|---|---|---|
| Number of Equity Shares available for allocation *(2) | Not less than [●] Equity Shares | Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs | Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non Institutional Bidders |
| Percentage of Offer size available for Allotment/ allocation | Not less than 75% of the Offer shall be Allotted to QIB Bidders.<br><br>However, up to 5% of the QIB Portion (excluding Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs | Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs shall be available for allocation | Not more than 10% of the Offer or Offer less allocation to QIB Bidders and Non- Institutional Bidders |
| Basis of Allotment/ allocation if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.<br>Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. | Proportionate | Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 318 |
| Minimum Bid | Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000 | Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000 | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |

| Particulars | QIBs(1) | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| Mode of Allotment | Compulsorily in dematerialized form | | |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | |
| Allotment Lot | A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share thereafter | | [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to availability in the Retail Category |
| Trading Lot | One Equity Share | | |
| Who can apply(3) | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs. | Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) |
| Terms of Payment | **In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4)<br>**In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form | | |
| Mode of Bidding | Only through the ASBA process (except for Anchor Investors). | | |

* *Assuming full subscription in the Offer*

(1) *Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the price at which allocation is made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One- third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 6(2) of the SEBI ICDR Regulations.*

(3) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will be allowed to be met with spill over from other categories or a combination of categories.

**Withdrawal of the Offer**

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Promoter Selling Shareholder, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Promoter Selling Shareholder, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

## OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

*Our Company, the Promoter Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

*Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer..*

### Book Building Procedure

This Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR

Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.**

**Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I**: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II**: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III**: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock

Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

**Electronic registration of Bids**

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.

**Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

ASBA Bidders (other than those using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details or the UPI ID, as applicable, in the relevant space provided in the ASBA Form, are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms and bids using UPI mechanism) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may also submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis | [●] |
| Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis | [●] |

| Category | Colour of Bid cum Application Form* |
|---|---|
| Anchor Investors | [●] |

**Excluding electronic Bid cum Application Forms*

*Notes:*

*(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*

*(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

**Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members and persons related to Promoters/Promoters Group/ the BRLMs**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoter Selling Shareholder in the Offer for Sale.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 333. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Rules.

**Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

**Bids by FPIs**

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia,* the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

**Bids by SEBI registered VCFs, AIFs and FVCIs**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

**Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

**Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

**(a)** Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

**(b)** The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

**(c)** One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

**(d)** Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date.

**(e)** Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

**(f)** Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

**(g)** Anchor Investors can not withdraw or lower the size of their Bids at any stage after submission of the Bid.

**(h)** Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

**(i)** Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion.

**(j)** Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids

**In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.**

**The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.**

**General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have

mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);
26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.
31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).
32. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
    Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not submit a Bid using UPI ID, if you are not a RIB;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not Bid for Equity Shares in excess of what is specified for each category;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
26. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;
28. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;
29. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism);
30. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
31. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
32. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Chief Compliance Officer. For details of our Company Secretary and Chief Compliance Officer, see "*General Information*" on page 61.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

Further, for helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 62.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

**Payment into Escrow Account(s) for Anchor Investors**

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"
(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper and (ii) [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The above information is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

**Signing of the Underwriting Agreement and the RoC Filing**

(a) Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

**Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc
- Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.
- That if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;
- If our Company and the Promoter Selling Shareholder, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

**Undertakings by the Promoter Selling Shareholder**

The Promoter Selling Shareholder undertakes in respect of itself as a 'selling shareholder' and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Promoter Selling Shareholder pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Promoter Selling Shareholder in consultation with the BRLMs.

**Utilisation of Offer Proceeds**

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Promoter Selling Shareholder, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. Under the current FDI Policy, 100% foreign direct investment is permitted for e-commerce activities under the automatic route, subject to compliance with certain prescribed conditions. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

**Foreign Exchange Laws**

The foreign investment in our Company is governed by *inter alia* the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations.

In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Rules, the total holding by any individual NRI, on a non-repatriation basis and repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 322.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or Regulations.**

**SECTION VIII**

**DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION**

**ARTICLES OF ASSOCIATION**

**OF**

**DROOM TECHNOLOGY LIMITED[1]**

**(FORMERLY KNOWN AS DROOM TECHNOLOGY PRIVATE LIMITED)**

*COMPANY LIMITED BY SHARES*

***PRELIMINARY***

The following regulations comprised in these Articles of Association, were adopted pursuant to the special resolution passed at the extra ordinary general meeting of the Company held on September 28th, 2021 in substitution for and to the entire exclusion of, the earlier regulations comprised in the existing Articles of Association of the Company.

APPLICABILITY OF TABLE 'F'

**1.** Subject to anything to the contrary hereinafter provided, the regulations contained in Table"F" in the First Schedule to the Companies Act, 2013, as amended from time to time, in sofar as they are applicable to a public company, will apply to the Company save in so far asthey are expressly or by implication excluded by these Articles. In case of any conflict between the provisions herein contained and the regulations contained in Table "F", the provisions herein will prevail.

***DEFINITIONS AND INTERPRETATION***

**2.** In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

"***Act***" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

"***Annual General Meeting***" means the annual general meeting of the Company convened and heldin accordance with the Act.

"***Articles of Association***" **or** "***Articles***" mean these Articles of association of the Company, as maybe altered from time to time in accordance with the Act.

"***Board***" or "***Board of Directors***" means the board of directors of the Company in office at applicable times.

"***Company***" means DROOM TECHNOLOGY LIMITED, a company incorporated under the laws of India.

"***Depository***" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 andwhich has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"***Director***" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

***"Effective Date***" shall be such date on which the Equity Shares are listed on the Stock Exchanges, pursuant to the IPO.

"***Equity Shares***" shall mean the issued, subscribed and fully paid-up equity shares of the Company having the face value set out in the Memorandum;

[1] The name of the Company was changed from Droom Technology Private Limited to Droom Technology Limited vide special resolution passed by the members of the Company in the EGM held on August 16th, 2021

"***Exchange***" shall mean BSE Limited and the National Stock Exchange of India Limited.

"***Extraordinary General Meeting***" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

"***General Meeting***" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

"***IPO***" means the initial public offering of the Equity Shares of the Company;

"***Member***" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

"***Memorandum***" or "***Memorandum of Association***" means the memorandum of association of theCompany, as may be altered from time to time;

"***Office***" means the registered office, for the time being, of the Company;

"***Officer***" shall have the meaning assigned thereto by the Act;

"***Ordinary Resolution***" shall have the meaning assigned thereto by the Act;

"**Preference Share Capital**" shall have meaning assigned thereto by the Act;

"***Register of Members***" means the register of members to be maintained pursuant to the provisionsof the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

"***Rules***" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.and

"***Special Resolution***" shall have the meaning assigned thereto by the Act.

**3.** Except where the context requires otherwise, these Articles will be interpreted as follows:

(a) headings are for convenience only and shall not affect the construction or interpretation ofany provision of these Articles.

(b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

(c) words importing the singular shall include the plural and vice versa;

(d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

(e) the expressions "hereof", "herein" and similar expressions shall be construed as referencesto these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

(f) the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, ***include*** and ***including*** will be read without limitation;

(g) any reference to a ***person*** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) orother entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person's executors, administrators, heirs, legal representatives and permitted successors and assigns;

(h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

(i) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act,2013 have been notified.

(j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:

(k) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and

(l) any subordinate legislation or regulation made under the relevant statute orstatutory provision;

(m) references to writing include any mode of reproducing words in a legible and non-transitoryform; and

(n) references to ***Rupees, Rs., Re., INR, ₹*** are references to the lawful currency of India.

***EXPRESSIONS IN THE ACT AND THESE ARTICLES***

**4.** Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

***SHARE CAPITAL AND VARIATION OF RIGHTS***

**5. AUTHORISED SHARE CAPITAL**

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandumof Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

**6. NEW CAPITAL PART OF THE EXISTING CAPITAL**

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

**7. KINDS OF SHARE CAPITAL**

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

a) Equity share capital:

- with voting rights; and/or
- with differential rights as to dividend, voting or otherwise in accordance with theAct; and

b) Preference share capital.

**8. SHARES AT THE DISPOSAL OF THE DIRECTORS**

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board of Directors thinks fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

**9. ISSUE OF SHARES AS CONSIDERATION**

The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company or for the know-how or making available rights in the nature of intellectual property rights or value additions in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares.

**10. SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CERTIFICATE**

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub- division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or;
(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

**11. FURTHER ISSUE OF SHARES**

(1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(A) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares at the date;

(i) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of deliveryto all the existing shareholders at least three days before the opening of the issue;

(ii) The offer aforesaid shall be deemed to include a right exercisable by the personconcerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain astatement of this right;

(iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company

(B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or

(C) to any person(s), if it is authorized by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determinedby the valuation report of a registered valuer (if required under law) subject to such conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

(3) Nothing in sub-clause (ii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(4) Notwithstanding anything contained in Article 11 (3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct thatsuch debentures or loans or any part thereof shall be converted into shares in the Companyon such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of suchloans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to theCompany, it may, within sixty days from the date of communication of such order, appealto National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

**12. TERM OF ISSUE OF DEBENTURE:**

Subject to the applicable provisions of the Act and other applicable law, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.

**13. ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES**

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

**14. RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT**

The Board shall observe the restrictions as regards allotment of shares to the public contained in the Act, and as regards return on allotments, the Directors shall comply with applicable provisions of the Act.

**15. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY**

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**16. INSTALLMENTS ON SHARES**

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

**17. MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS**

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

**18. VARIATION OF SHAREHOLDERS' RIGHTS**

**a)** If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of notless than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

**b)** To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

**c)** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**19. PREFERENCE SHARES**

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board,shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as theydeem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board,shall have power to issue on a cumulative or non-cumulative basis convertible redeemablepreference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as theydeem fit and provide for redemption at a premium or otherwise and/or conversion of suchshares into such securities on such terms as they may deem fit.

**20. PAYMENTS OF INTEREST OUT OF CAPITAL**

The Company shall have the power to pay interest out of its capital on so much of the shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for the Company in accordance with the Act.

**21. AMALGAMATION**

Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject to the provisions of the Act.

### *SHARE CERTIFICATES*

## 22. ISSUE OF CERTIFICATE

i. Every person whose name is entered as a member in the register of members shall be entitled without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, to receive within two months after allotment, unless the conditions of issuer thereof provide otherwise, or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or sub-division, consolidation or renewal as the case may be within such other period as the conditions of issue shall provide –

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

ii. Every certificate shall be under the Seal, if any, and shall specify the number and distinctive numbers of shares to which it relates and the amount paid-up thereon, shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.
Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. Any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such, split or consolidation subject to process being followed by the members as per applicable law, rules & regulation (as amended from time to time).

iv. The provision of this Article shall mutatis mutandis apply to debentures of the Company.

## 23. RULES TO ISSUE SHARE CERTIFICATES

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Act.

## 24. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees not exceeding the amount payable under applicable law for each certificate as may be fixed by the Board. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

The Company will issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement or such other time as mat be prescribed under applicable laws.

The provisions of this Articles shall mutatis mutandis apply to debentures and preference shares of the Company.

*UNDERWRITING & BROKERAGE*

**25. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.**

**a)** The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
**b)** The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
**c)** The commission may be satisfied by the payment of cash or the allotment of fully or partlypaid shares or partly in the one way and partly in the other.

***LIEN***

**26. COMPANY'S LIEN ON SHARES / DEBENTURES**

The company shall have a first and paramount lien:

upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien If any, on such shares/debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

**27. LIEN TO EXTEND TO DIVIDENDS, ETC.**

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be,payable and bonuses declared from time to time in respect of such shares / debentures.

**28. ENFORCING LIEN BY SALE**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Companyhas a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

**29. VALIDITY OF SALE**

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

**30. VALIDITY OF COMPANY'S RECEIPT**

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

**31. APPLICATION OF SALE PROCEEDS**

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

**32. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN**

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**33. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities, including debentures, of the Company.

***CALLS ON SHARES***

**34. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES**

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fouth of the nominal value of the share or be payable at less than one month or such time period as may be prescribed under applicable laws from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting.

**35. NOTICE FOR CALL**

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times, place and mode of payment, pay to the Company, at the time or times, place and mode so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

**36. CALL WHEN MADE**

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

**37. LIABILITY OF JOINT HOLDERS FOR A CALL**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

## 38. CALLS TO CARRY INTEREST

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

## 39. DUES DEEMED TO BE CALLS

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

## 40. EFFECT OF NON-PAYMENT OF SUMS

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified

## 41. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Board –

a) may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, all or any partof the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and

b) upon all or any of the monies so advanced, may (until the same would, but for such advance,become presently payable) pay interest at such rate such rate as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend, subsequent declared.

The Board may at any time repay the amount so advanced.
The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

## 42. PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

***FORFEITURE OF SHARES***

## 43. BOARD TO HAVE A RIGHT TO FORFEIT SHARES

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

## 44. NOTICE FOR FORFEITURE OF SHARES

The notice aforesaid shall:

a) name a further day (not being earlier than the expiry of fourteen days from the date of services of the notice) on or before which the payment required by the notice is to be made;and

b) state that, in the event of non-payment on or before the day so named, the shares in respectof which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.

**45. RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

**46. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY**

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

**47. ENTRY OF FORFEITURE IN REGISTER OF MEMBERS**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

**48. MEMBER TO BE LIABLE EVEN AFTER FORFEITURE**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

**49. EFFECT OF FORFEITURE**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

**50. CERTIFICATE OF FORFEITURE**

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

**51. TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES**

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

**52. VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

**53. CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

**54. BOARD ENTITLED TO CANCEL FORFEITURE**

The Board may at any time before any share so forfeited shall have them sold, reallotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

**55. SURRENDER OF SHARE CERTIFICATES**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

**56. SUMS DEEMED TO BE CALLS**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**57. PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities, including debentures, of the Company.

***TRANSFER AND TRANSMISSION OF SHARES***

**58. REGISTER OF TRANSFERS**

1. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly enteredparticulars of every transfer or transmission of any shares. The Company shall also use a commonform of transfer.

**59. ENDORSEMENT OF TRANSFER**

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

The Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the board of directors and/or the delegated authority shall attend to the formalities pertaining to transfer of securities at least once in a fortnight:

Provided that the delegated authority shall report on transfer of securities to the Board in each meeting.

Provided further that, in accordance with applicable laws, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository.

**60. INSTRUMENT OF TRANSFER**

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Act,and of any statutory modification thereof for the time being shall be duly complied with inrespect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(c) The Board may, subject to the right of appeal conferred by the provisions of the Act decline to register—

i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

ii. any transfer of shares on which the company has a lien.

(d) The Board may decline to recognize any instrument of transfer unless-

i. the instrument of transfer is in the form prescribed under the Act;

ii. the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

iii. the instrument of transfer is in respect of only one class of shares.

(e) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorneyor similar other document.

**61. EXECUTION OF TRANSFER INSTRUMENT**

Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

**62. CLOSING REGISTER OF TRANSFERS AND OF MEMBERS**

Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

**63. DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the provisions of the Act, Securities Contracts (Regulation) Act, 1956 or any law for the time being in force and these Articles , the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles, applicable laws, or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member or in debentures of the Company, after providing sufficient cause, within a period of one month, or such other time period as prescribed under applicable laws for transfer or transmission of securities, from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send to the transferee and transferor notice of the refusal, giving reasons for such refusal. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

**64. TRANSFER OF PARTLY PAID SHARES**

Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

**65. TITLE TO SHARES OF DECEASED MEMBERS**

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

**66. TRANSFERS NOT PERMITTED**

No share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

**67. TRANSMISSION OF SHARES**

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

**68. RIGHTS ON TRANSMISSION**

A person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

**69. SHARE CERTIFICATES TO BE SURRENDERED**

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

**70. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS**

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

**71. TRANSFER AND TRANSMISSION OF DEBENTURES**

The provisions of these Articles, shall, mutatis mutandis, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

***SHARE WARRANTS AND ALTERATION OF CAPITAL***

**72. RIGHTS TO ISSUE SHARE WARRANTS**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

**73. BOARD TO MAKE RULES**

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

**74. SHARES MAY BE CONVERTED INTO STOCK**

Where shares are converted into stock:

a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

   Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of theshares from which the stock arose;

b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company,and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not,if existing in shares, have conferred that privilege or advantage;

c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stockand the words “share” and “shareholder”/”Member” shall include “stock” and “stock- holder” respectively.

**75. REDUCTION OF CAPITAL**

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and inaccordance with the provisions of the Act—

a) its share capital; and/or
b) any capital redemption reserve account; and/or
c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be:

i. extinguishing or reducing the liability on any of its shares in respect of share capital not paid up;

ii. either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets;

or

iii. either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum,by reducing the amount of its share capital and of its shares accordingly.

***DEMATERIALISATION AND BUYBACKS***

## 76. DEMATERIALISATION OF SECURITIES

(a) The Company shall recognize interest in dematerialized securities under the Depositories Act, 1996. Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares)with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s)thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other Applicable Law.

(b) Dematerialization/Re-materialization of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re materialize its securities held in Depositories and/or offer its fresh securities in the dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option toreceive the security certificate or hold securities with a Depository. Where a person opts tohold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

**77. BUY BACK OF SHARES**

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

***GENERAL MEETINGS***

**78. ANNUAL GENERAL MEETINGS**

- **a)** The Company shall in each year hold a General Meeting as its Annual General Meeting inaddition to any other meeting in that year.
- **b)** An Annual General Meeting of the Company shall be held in accordance with theprovisions of the Act.

**79. EXTRAORDINARY GENERAL MEETINGS**

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.
If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board

**80. EXTRAORDINARY MEETINGS ON REQUISITION**

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

**81. NOTICE FOR GENERAL MEETINGS**

All General Meetings shall be convened by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, day, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.
The Members may participate in General Meetings through such modes as permitted by applicable laws.

**82. SHORTER NOTICE ADMISSIBLE**

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty-one (21) clear days.

**83. CIRCULATION OF MEMBERS' RESOLUTION**

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

**84. SPECIAL AND ORDINARY BUSINESS**

- **a)** Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.
- **b)** In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

**85. QUORUM FOR GENERAL MEETING**

The quorum for the General Meetings shall be as provided in the Act, and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

**86. TIME FOR QUORUM AND ADJOURNMENT**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

**87. CHAIRMAN OF GENERAL MEETING**

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

**88. ELECTION OF CHAIRMAN**

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

**89. BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR IS VACANT**

No business shall be discussed at any General Meeting except the election of the Chairman whilst the Chair is vacant. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles.

**90. ADJOURNMENT OF MEETING**

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

**91. VOTING AT MEETING**

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

**92. DECISION BY POLL**

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

**93. CASTING VOTE OF CHAIRMAN**

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

**94. PASSING RESOLUTIONS BY POSTAL BALLOT**

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the caseof resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting thebusiness in the General Meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

(c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

***VOTE OF MEMBERS***

**95. VOTING RIGHTS OF MEMBERS**

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a) On a show of hands every Member holding Equity Shares and present in person shall haveone vote.
b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital of the Company.
c) A Member may exercise his vote at a meeting by electronic means in accordance with theAct and shall vote only once.

**96. VOTING BY JOINT-HOLDERS**

i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**97. VOTING BY MEMBER OF UNSOUND MIND**

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

**98. VOTES IN RESPECT OF SHARES OF DECEASED OR INSOLVENT MEMBERS, ETC.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any Shares may vote at any General Meeting in respect thereof as if he was the registered holder of such Shares, provided that at least forty eight (48) hours before the timing of holding the meeting or adjourned meeting, as the case may be, at which he/she proposes to vote, he/she shall duly satisfy the Board of his/her right to such Shares unless the Board shall have previously admitted his/her right to vote at such meeting in respect thereof.
Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of the Article be deemed to be Members registered jointly in respect thereof.

**99. NO RIGHT TO VOTE UNLESS CALLS ARE PAID**

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

**100. EQUAL RIGHTS OF MEMBERS**

Any Member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

**101. PROXY**

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

**102. INSTRUMENT OF PROXY**

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy. The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

**103. VALIDITY OF PROXY**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**104. CORPORATE MEMBERS**

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

***DIRECTOR***

**105. NUMBER OF DIRECTORS**

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

The following shall be the first Directors of the Company:

i. Mr. Sandeep Aggarwal;
ii. Ms. Roli Bedi

**106. SHARE QUALIFICATION NOT NECESSARY**

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

**107. ADDITIONAL DIRECTORS**

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
Such person shall hold office only up to the date of the next Annual General Meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

**108. ALTERNATE DIRECTORS**

(a) The Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Articlecalled the "**Original Director**")

(b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors indefault of another appointment shall apply to the Original Director and not to the alternatedirector.
Provided no person shall be appointed or continue as an alternate director for an independent director.

**109. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY**

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. The Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.

**110. REMUNERATION OF DIRECTORS**

(a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

(b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending itsbusiness at the request of the Company, such sum as the Board may consider faircompensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

(c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business ofthe Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

(d) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(e) The Board may pay all expenses incurred in getting up and registering the company.

**111. REMUNERATION FOR EXTRA SERVICES**

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

**112. CONTINUING DIRECTOR MAY ACT**

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

**113. VACATION OF OFFICE OF DIRECTOR**

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

***ROTATION AND RETIREMENT OF DIRECTOR***

**114. DIRECTORS TO RETIRE EVERY YEAR**

**1.** Not less than two-thirds of the total number of Directors of the Company shall:

(a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and

(b) save as otherwise expressly provided in the said Act, be appointed by the Company in General Meeting. For the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company.

Subject to Articles and provisions of the Act, at the Annual General Meeting of the Company to be held in every year,one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing director appointed or the Directors appointed as a debenture director under Articles hereto shall not retire by rotation under this Article.

**115. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION**

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

**116. WHICH DIRECTOR TO RETIRE**

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

**117. POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION**

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead.

Provided that an independent director re-appointed for second term under the provisions of the Act shall be removed by the company only by passing a Special Resolution and after giving him a reasonable opportunity of being heard.

**118. DIRECTORS NOT LIABLE FOR RETIREMENT**

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period or until the happening of any event of contingency set out in the said resolution.

**119. DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY**

Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company subject to compliance with applicable provisions of the Act.

***PROCEEDINGS OF BOARD OF DIRECTORS***

**120. MEETINGS OF THE BOARD**

(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(b) The Directors may meet together as a Board for the dispose of business from time to time, and shall so meet at least four times in a year in such manner, that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

(c) The chairman may, at any time, and the secretary or such other Officer of the Company asmay be authorized in this behalf on the requisition of Director shall at any time summon ameeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(d) The notice of each meeting of the Board shall include the serial number, day, date, time and full address of the venue of the Meeting and an agenda setting out the businessproposed to be transacted at the meeting.

(e) To the extent permissible by applicable law, the Directors may participate in a meeting ofthe Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

(f) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

**121. QUESTIONS AT BOARD MEETING HOW DECIDED**

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

**122. QUORUM**

Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

**123. ADJOURNED MEETING**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

**124. ELECTION OF CHAIRMAN OF BOARD**

(a) The Board may elect a chairman of its meeting and determine the period for which he is tohold office.

(b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may chooseone among themselves to be the chairman of the meeting.

**125. POWERS OF DIRECTORS**

(a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articlesrequired to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Companyin a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in suchmanner as the Board shall from time to time by resolution determine.

**125 A "The Board shall have full power to direct the activities of the Company, in accordance with the applicable laws. The Company shall itself and shall cause its Subsidiaries, as required, to take any decision or action in relation to any matter, whether pursuant to a meeting of its board of directors (or any committee thereof) or shareholders, or by way of resolution by circulation, postal ballot, video conferencing or otherwise or in any other manner, in accordance with applicable provisions of Companies Act, 2013 read with relevant rules made thereunder, and other applicable laws, and there are no reserved matters, affirmative vote matters, special rights or other similar restrictive covenants that will be made applicable to the Company or its Subsidiaries, whether through consent of the shareholders of the Company or otherwise, for any matter which the Company or its Subsidiaries are authorised to do in terms of its constitutional documents, or under applicable laws. It is clarified for the avoidance of doubt that the Company shall not be bound by any rights conferred on the shareholders of Droom Pte. Ltd. through its articles of association or any shareholders agreement."*[2]

**126. DELEGATION OF POWERS**

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

**127. ELECTION OF CHAIRMAN OF COMMITTEE**

(a) A committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the

*Altered vide special resolution passed by members of the Company at EGM held on 21st day of October, 2021.

chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.

(b) The quorum of a committee may be fixed by the Board of Directors.

**128. QUESTIONS HOW DETERMINED**

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votesof the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

**129. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE**

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

**130. RESOLUTION BY CIRCULATION**

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

**131. MAINTENANCE OF FOREIGN REGISTER**

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

**132. BORROWING POWERS**

(a) Subject to the provisions of the Act and these Articles, the Board may from time to time attheir discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities;
provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company’s bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate, and he same shall be in the interests of the Company.

(c) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

**133. NOMINEE DIRECTORS**

(a) Subject to the provisions of the Act, so long as any moneys remain owing by the Companyto Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bankof India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financialinstitutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "**Corporation**") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Nominee Director/s appointed under this Article shall be entitled to receive all noticesof and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(c) The Company may pay the Nominee Director/s sitting fees and expenses to which the otherDirectors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission,monies and remuneration in relation to such Nominee Director/s may accrue to the nomineeappointer and same shall accordingly be paid by the Company directly to the Corporation.

(d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

**134. REGISTER OF CHARGES**

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

**135. MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

(c) In the event of any vacancy arising in the office of a managing director and/or whole timedirector, the vacancy shall be filled by the Board of Directors subject to the approval of theMembers.

(d) If a managing director and/or whole time director ceases to hold office as Director, he shallipso facto and immediately cease to be managing director/whole time director.

(e) The managing director and/or whole time director shall not be liable to retirement by rotation as long as he holds office as managing director or whole-time director.

**136. POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR**

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

**137. REIMBURSEMENT OF EXPENSES**

The managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

**138. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act —

(a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as itmay think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, subject to provisions of the Act, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

(c) A provision of the Act or the Articles requiring or authorizing a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***COMMON SEAL***

**139. CUSTODY OF COMMON SEAL**

The Board shall provide for the safe custody of the common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

**140. SEAL HOW AFFIXED**

The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a committee of the Directors previously given, and in the presence of atleast two Directors and of the company secretary or such other person duly authorized by the Directors or a committee of the Directors, who shall sign every instrument to which the seal is so affixed in his presence.

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

*DIVIDEND AND RESERVE*

**141. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**142. INTERIM DIVIDENDS**

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

**143. RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

**a)** Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

**b)** Where the Company has declared a dividend but which has not been paid or claimed withinthirty (30) days from the date of declaration, the Company shall within seven (7) days fromthe date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Droom Technology Limited".

**c)** Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall betransferred by the Company to the fund known as Investor Education and Protection Fundestablished under the Act. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

**d)** No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomesbarred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

**e)** All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

**144. DIVISION OF PROFITS**

a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the sharesin respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

b) No amount paid or credited as paid on a share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the share, including to confer a right to dividend or to participate in profits.

**145. DIVIDENDS TO BE APPORTIONED**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**146. RESERVE FUNDS**

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretionof the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the businessof the Company or be invested in such investments (other than shares of the Company) asthe Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

**147. DEDUCTION OF ARREARS**

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

**148. RETENTION OF DIVIDENDS**

The Board may retain dividends payable upon shares in respect of which any person is, under terms of these Articles, entitled to become a Member, until such person shall become a Member in respect of such shares.
Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**149. RECEIPT OF JOINT HOLDER**

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

**150. DIVIDEND HOW REMITTED**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**151. DIVIDENDS NOT TO BEAR INTEREST**

No dividends shall bear interest against the Company.

**152. TRANSFER OF SHARES AND DIVIDENDS**

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

***CAPITALISATION OF PROFITS***

**153. CAPITALISATION OF PROFITS**

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

ii. that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on shares held by such Members respectively;

(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii).

(iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles

**154. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the Members entitled thereto, intoan agreement with the Company providing for the allotment to them respectively,credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such Members.

***ACCOUNTS***

**155. WHERE BOOKS OF ACCOUNTS TO BE KEPT**

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit in accordance with the applicable provisions of the Act.

**156. INSPECTION BY DIRECTORS**

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.

**157. INSPECTION BY MEMBERS**

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Board or authorised by the Board or by the company in general meeting.

***SERVICE OF DOCUMENTS AND NOTICE***

**158. MEMBERS TO NOTIFY ADDRESS IN INDIA**

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

**159. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

**160. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

**161. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

(a) To the Members of the Company as provided by these Articles.
(b) To the persons entitled to a share in consequence of the death or insolvency of a Member.
(c) To the Directors of the Company.
(d) To the auditors for the time being of the Company; in the manner authorized by as in thecase of any Member or Members of the Company.

**162. NOTICE BY ADVERTISEMENT**

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

**163. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS**

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.
Any notice to be given by the Company shall be signed by the managing Director or by such Director or Secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

***WINDING UP***

**164.** Winding up when necessary will be done in accordance with the provisions of the Act and other applicable law.

**165. APPLICATION OF ASSETS**

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

***INDEMNITY***

**166. DIRECTOR’S AND OTHERS’ RIGHT TO INDEMNITY**

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

**167. INSURANCE**

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

***SECRECY CLAUSE***

**168. SECRECY**

No Member shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

***GENERAL POWER***

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## SECTION IX: OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. These documents and contracts will also be available on our website at droom.in.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

### A. Material Contracts for the Offer

a) Offer Agreement dated November 11, 2021 entered amongst our Company, the Promoter Selling Shareholder and the BRLMs.

b) Registrar Agreement dated November 9, 2021 entered amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer.

c) Cash Escrow and Sponsor Bank Agreement dated [●] to be entered amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).

d) Share Escrow Agreement dated [●] to be entered amongst the Promoter Selling Shareholder our Company and the Share Escrow Agent.

e) Syndicate Agreement dated [●] to be entered amongst our Company, the Promoter Selling Shareholder, the BRLMs, and Syndicate Members.

f) Underwriting Agreement dated [●] to be entered amongst our Company, the Promoter Selling Shareholder and the Underwriters.

g) Monitoring Agency Agreement dated [●] to be entered into between our Company and the Monitoring Agency.

### B. Material Documents

a) Certified copies of updated MoA and AoA, updated from time to time.

b) Certificate of incorporation dated September 9, 2014 issued to our Company, under the name Droom Technology Private Limited by the RoC.

c) Fresh certificate of incorporation dated September 14, 2021 issued by the RoC, consequent upon change of name from 'Droom Technology Private Limited' to 'Droom Technology Limited', pursuant to conversion of our Company from a private limited company to a public limited company.

d) Resolutions of the Board of Directors dated October 16, 2021, authorising the Offer and other related matters.

e) Resolution of Board of Directors dated November 9, 2021, taking on record the approval for the Offer for Sale by the Promoter Selling Shareholder.

f) Shareholders' resolution dated October 17, 2021, in relation to the Fresh Issue and other related matters.

g) Copies of the annual reports of the Company for the Fiscals March 31, 2021, March 31, 2020 and March 31, 2019

h) Resolution of the Board of Directors dated October 21, 2021 and the Shareholders' resolution dated October 21, 2021 appointing Sandeep Aggarwal as the Whole-time Director

i) Resolution of the Board of Directors dated October 16, 2021 and the Shareholders' resolution dated October 17, 2021 appointing Amarpreet Singh as the Whole-time Director.

j) Resolution of the Board of Directors dated November 10, 2021 approving this Draft Red Herring Prospectus and resolution of the IPO Committee dated November 11, 2021 approving this Draft Red Herring Prospectus.

k) Resolution of the board of directors of the Promoter Selling Shareholder dated November 1, 2021, consenting to participate in the Offer for Sale.

l) Written consent dated November 11, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 10, 2021 on our Restated Financial Statements; and (ii) their report dated November 11, 2021 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

m) The examination report dated November 10, 2021 of the Statutory Auditors, B S R & Co. LLP, Chartered Accountants, on the Restated Financial Statements.

n) Consent of the Promoter Selling Shareholder, the Directors, the BRLMs, the Syndicate Members, legal counsels, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, lenders of the Company, Promoters, Key Managerial Personnel, Company Secretary and Chief Compliance Officer, Chief Financial Officer, Grant Thornton as referred to in their specific capacities.

o) Report titled "*Auto E-commerce Market*" dated November, 2021.

p) Consent letter dated November 10, 2021 of Grant Thornton in respect of the "*Auto E-commerce Market*".

q) Consent letter dated November 10, 2021 of MGB & Co LLP, Chartered Accountants, as required section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered accountant, in respect of the reports and certificates provided by them in relation to the Offer.

r) Shareholders' agreement dated April 17, 2018 between our individual promoter, Sandeep Aggarwal, Beenos Asia Pte Ltd, Beenext Pte Ltd, Virendar Rana, Lightbox Ventures II, Lightbox Expansion Fund, DG Incubation Inc, Toyota Tsusho Corporation, Mamoru Taniya, PT. Karang Mas Investama, Integrated Asset Management (Asia) Limited, Jumpex Worldwide Limited, Merchant Capital Global Limited, Able Earn Investments Limited, Success Element Investments Limited and our corporate Promoter, Droom Pte Ltd

s) IP and Share Transfer Deed dated October 15, 2021, entered into between our subsidiary, Droom Singapore and our Promoter, Droom Pte Ltd

t) Due Diligence Certificate dated November 11, 2021 addressed to SEBI from the BRLMs.

u) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively

v) Tripartite agreement dated August 25, 2021 amongst our Company, NSDL and the Registrar to the Offer

w) Tripartite agreement dated September 1, 2021 amongst our Company, CDSL and the Registrar to the Offer

x) SEBI final observation letter dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________________________

**Sandeep Aggarwal**
**Chairman, Whole-time Director & Chief Executive Officer**

Place: Gurugram
Date: November 11, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

____________________________________

**Amarpreet Singh**
**Whole-time Director & VP-Finance**

Place: Gurugram
Date: November 11, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Rishab Malik**
**Non-executive Director**

Place: New Delhi
Date: November 11, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Joy Kumar Jain**
**Independent Director**

Place: Gurugram
Date: November 11, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Rajat Kumar Jain**
**Independent Director**

Place: Gurgaon
Date: November 11, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Namrita Mahindro**
**Independent Director**

Place: Mumbai
Date: November 11, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

**Varun Sethi**
**Chief Financial Officer**

Place: Gurugram
Date: November 11, 2021

**DECLARATION**

The undersigned Promoter Selling Shareholder confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Promoter Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Signed for and on behalf of **Droom Pte. Ltd.**

**Name: Sandeep Aggarwal**
**Designation: Director**

Place: Gurugram
Date: November 11, 2021