



# IKIO LIGHTING LIMITED

Our Company was incorporated as 'IKIO Lighting Private Limited' under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC") on March 21, 2016. The name of our Company was subsequently changed to 'IKIO Lighting Limited', upon conversion into a public company, pursuant to a board resolution dated January 3, 2022 and a shareholders' resolution dated January 31, 2022, and a fresh certificate of change of name was issued on April 18, 2022 by the RoC. For details in relation to the changes in the registered office of our Company, please see the section entitled "History and Certain Corporate Matters" on page 215 of the prospectus of our Company dated June 10, 2023 filed with the RoC ("Prospectus").

Registered Office: 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi – 110 001 | Corporate Office: D-234-Sector 63, Noida – 201 301, Uttar Pradesh | Contact Person: Sandeep Kumar Agarwal, Company Secretary and Compliance Officer; Tel: + 91 120 – 4116186; E-mail: secretarial@ikiolighting.com; Website: www.ikio.in

## OUR PROMOTERS: HARDEEP SINGH AND SURMEET KAUR

Our Company has filed the Prospectus and the Equity Shares are proposed to be listed on the Main Board of the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and trading will commence on Friday, June 16, 2023.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 21,280,701 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 285 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 275 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ 6,065 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 12,280,701 EQUITY SHARES AGGREGATING TO ₹ 3,500 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 9,000,000 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING TO ₹ 2,565 MILLION COMPRISING OFFER FOR SALE OF 6,000,000 EQUITY SHARES BY HARDEEP SINGH AGGREGATING TO ₹ 1,710 MILLION AND 3,000,000 EQUITY SHARES BY SURMEET KAUR AGGREGATING TO ₹ 855 MILLION (THE "SELLING SHAREHOLDERS"), AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER"). THE OFFER CONSTITUTES 27.54 % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY

ANCHOR INVESTOR OFFER PRICE: ₹ 285 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH  
OFFER PRICE: ₹ 285 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH  
THE OFFER PRICE IS 28.5 TIMES OF THE FACE VALUE

#### Risks to Investors:

- Risk Factors associated with our Company.**
  - Proforma Financials:** Since September 12, 2022 our Company owns 100% of the equity shareholding of our Subsidiaries. As our Company did not own 100% of the equity shareholding of our Subsidiaries until September 12, 2022, the Restated Consolidated Financial Information does not include financial information for our Subsidiaries prior to their acquisitions by our Company. Accordingly, our Restated Consolidated Financial Information, as of, and for the nine month period ended December 31, 2022, and as of, and for the years ended, March 31, 2022, 2021 and 2020, are not comparable to any future financial results that we may prepare. In addition, because of their nature, our Proforma Consolidated Financial Information addresses a hypothetical situation and, therefore, does not represent our actual results of operations or financial condition.
  - Customer Concentration:** We are dependent on, and derive a substantial portion of our revenue from, a single customer, Signify Innovations India Limited, erstwhile Philips India and revenue from Signify accounted for 70.04%, 91.23%, 94.60% and 95.63%, respectively, of our restated revenue from operations and accounted for 51.31%, 60.45%, 70.76% and 61.07%, respectively, of our proforma consolidated revenue from operations. Further, over 85% of our revenue is derived from our top twenty customers on a restated basis and a proforma consolidated basis for the nine months ended December 31, 2022 and Fiscal 2022. Cancellation by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.
  - Product Concentration:** We are dependent on, and derive a substantial portion of our revenue from, LED lighting products. Our revenue from operations on a restated basis in the LED lighting category accounted for 91.27%, 91.59%, 94.25% and 95.85%, respectively, of our restated revenue from operations. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our revenue from operations on a proforma consolidated basis in the LED lighting category accounted for 86.05%, 86.78%, 87.26% and 85.21%, respectively, of our proforma consolidated revenue from operations. Any reduction in orders from our LED lighting product line could have a material adverse effect on our business, results of operations and financial condition.
  - Dependence on Third Party Suppliers:** We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product repairs and returns. Further, we do not have any long term contracts with any of the suppliers. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.
  - Dependence on Imported Components:** We rely on imported components from vendors in China, Singapore, Hong Kong and Taiwan and raw materials, and in the nine months ended December 31, 2022 and in Fiscal 2022, imports accounted for 55.67% and 52.25% of our total raw materials purchased on a proforma consolidated basis. Any shortfall in the supply of our imported components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.
  - Negative Cash Flows:** We have experienced negative cash flows in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020. In particular, we have experienced negative cash flows from operating activities in Fiscal 2022 and Fiscal 2021.
  - No Long Term Arrangements with Customers:** We do not receive firm and long-term volume purchase commitments from our customers. If our customers choose not to renew their supply contracts with us or continue to place orders with us, our business and results of operations will be adversely affected.
  - Dependence on Manufacturing Facilities:** Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, injury to employees, severe weather conditions and natural disasters. In addition, any strikes, work stoppages or increased wage demands by our employees could also interfere with our operations. Further, we do not own certain of the premises of our manufacturing facilities and corporate offices. While the lease agreements for our manufacturing facilities may be long term or short term lease in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement. Further, our manufacturing facilities are located in Uttarakhnad and the National Capital Region "NCR" exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters.
  - Sizeable Working Capital:** We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition. As at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, we had total outstanding working capital loans On a Restated Consolidated Basis aggregating to ₹ 874.84 million, ₹ 147.22 million, ₹ 28.72 million and ₹ 51.20 million, respectively. As at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, we had total outstanding working capital loans on a proforma consolidated basis aggregating to ₹ 874.84 million, ₹ 678.39 million, ₹ 347.70 million and ₹ 298.62 million, respectively.
- Details of weighted average cost of acquisition of all Equity Shares transacted in last one year, eighteen months and three years preceding the date of the Prospectus:**

Period	Weighted average cost of acquisition per Equity Share (in ₹)^	Cap Price (₹ 285) is 'X' times the weighted average cost of acquisition^A	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)^
One Year^	Nil	Nil	Nil
Eighteen Months^	Nil	Nil	Nil
Three Years	Nil	Nil	Nil

^ As certified by the Statutory Auditor, BGJC & Associates LLP after statutory auditor by way of their certificate dated June 10, 2023.

^ Acquired pursuant to a bonus issuance of Equity Shares, allotted on September 17, 2022.

- Average cost of acquisition of equity shares for our Selling Shareholders namely, Hardeep Singh is ₹ 0.01 and Surmeet Kaur is ₹ 0.01 and Offer Price at upper end of the Price Band is ₹ 285 per Equity Share.**

- Details of price at which specified securities were acquired in the three years preceding the date of the Prospectus. The details of the price at which specified securities were acquired in the three years preceding the date of the Prospectus, by our Promoters (also the Selling Shareholders), Promoter Group and Shareholders with the right to nominate a director or with other rights, are disclosed below:**

Sr. No.	Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of Equity Shares acquired	Acquisition price per equity share^A (in ₹)
<b>Promoters (also the Selling Shareholders)</b>				
1	Hardeep Singh	July 17, 2021	14,970,000	Nil^
2	Hardeep Singh	September 17, 2022	23,999,472	Nil^
3	Surmeet Kaur	July 17, 2021	9,980,000	Nil^
4	Surmeet Kaur	September 17, 2022	16,000,000	Nil^
<b>Promoter Group</b>				
1	Ishween Kaur	October 04, 2021	100	Nil^
2	Ishween Kaur	September 17, 2022	160	Nil^
3	Harjeet Singh	October 04, 2021	100	Nil^
4	Harjeet Singh	September 17, 2022	160	Nil^

^ Pursuant to the issuance of bonus Equity Shares.

^ Pursuant to a gift from Hardeep Singh

^ As certified by the Statutory Auditor, BGJC & Associates LLP after statutory auditor by way of their certificate dated June 10, 2023.

As on the date of the Prospectus, the Company does not have any shareholders entitled with right to nominate Directors or any other rights.

- Motilal Oswal Investment Advisors Limited (the "BRLM") associated with the Offer has handled 7 public issues in the past three years, out of which 3 issues closed below the offer price on the listing date.**

- Market Value at Offer Price to Total Turnover and P/E Ratio at Offer Price**

Particulars	At Floor Price (i.e. ₹ 270)	At Cap Price (i.e. ₹ 285)
Restated Consolidated Financial Statements		
Market Capitalization/ Turnover (Fiscal 2022)	9.57	10.02
P/E Ratio		
Proforma Consolidated Financial Information		
Market Capitalization/ Turnover (Fiscal 2022)	6.34	6.64
P/E Ratio	34.75	36.68

- Weighted average cost of acquisition compared to Floor Price and Cap Price:** There have been no primary transactions as our Company has not issued any Equity Shares or convertible securities, neither has there been any secondary transaction during the last three years preceding the date of the Prospectus.

- Price/Earnings ratio based on diluted EPS for FY22 as compared to the average industry peer group PE ratio**

P/E based on Diluted EPS as on FY2022	NA
P/E at Higher End of Price Band based on Diluted EPS (FY2022)	66.13x
Average Industry Peer Group PE Ratio^	56.30x

^ Arithmetic Average of P/E ratios of peer companies mentioned in the table appearing in point 7 in Basis of Offer Price on page 124 of the Prospectus. It may be noted that the P/E Ratio has been computed based on the closing market price of the equity shares as of May 15, 2023 (Source: NSE) on www.nseindia.com, divided by the Diluted EPS for the period ended March 31, 2022

The PE ratio based on the Price Band or the Offer Price of our Company may not be indicative of the market price of our Company on listing or thereafter.

#### BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING OPENED AND CLOSED ON: MONDAY, JUNE 05, 2023

BID/OFFER OPENED ON TUESDAY, JUNE 06, 2023 | BID/OFFER CLOSED ON THURSDAY, JUNE 08, 2023

This is an Offer in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer was being made through the Book Building Process in terms of Regulation 6 (1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion, the "QIB Portion"). Our Company, in consultation with the Book Running Lead Manager, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), out of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors ("Anchor Investor Allocation Price"), in accordance with the SEBI ICDR Regulations. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids having been received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion was added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer was made available for allocation to Non-Institutional Bidders ("Non-Institutional Portion") (of which one-third of the Non-Institutional Portion was reserved for Bidders with an application size between ₹ 0.20 million up to ₹ 1 million and two-thirds of the Non-Institutional Portion was reserved for Bidders with an application size exceeding ₹ 1 million) and under-subscription in either of these two sub-categories of Non-Institutional Portion was allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids having been received at or above the Offer Price and not less than 35% of the Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount were blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors were permitted to participate in the Offer through the ASBA Process. For further details, see "Offer Procedure" on page 497 of the Prospectus.

The bidding for Anchor Investor opened and closed on Monday, June 05, 2023. The Company received 16 anchor investor application forms from 14 Anchor Investors for 7,121,088 Equity Shares. The Anchor Investor Offer Price was finalized at ₹ 285 per Equity Share. A total of 6,384,209 Equity Shares were allocated under the Anchor Investor Portion aggregating to ₹ 1,819.50 million.

The Offer received 1,577,609 applications for 1,013,487,124 Equity Shares (including applications from Anchor Investors and prior to technical rejections) resulting in 47.62 times subscription. The details of the applications received in the Offer from Retail Individual Bidders, Non-Institutional Bidders, QIBs and Anchor Investors are as under (before technical rejections):

Category	No of Applications Received	No. of Equity Shares applied	No. of Equity Shares Reserved (as per Prospectus)	No. of times Subscribed	Amount (₹)
Retail Individual Bidders	1,463,514	107,008,252	7,448,246	14.37	30,493,795,280.00
Non-Institutional Bidders – More than ₹ 2 lakhs and up to ₹ 10 lakhs	81,394	63,502,244	1,064,036	59.68	18,092,971,832.00
Non-Institutional Bidders – More than ₹ 10 lakhs	32,549	134,676,880	2,128,070	63.29	38,382,736,444.00
Qualified Institutional Bidders (excluding Anchor Investors)	136	701,178,660	4,256,140	164.75	199,835,918,100.00
Anchor Investors	16	7,121,088	6,384,209	1.12	2,029,510,080.00
<b>TOTAL</b>	<b>1,577,609</b>	<b>1,013,487,124</b>	<b>21,280,701</b>	<b>47.62</b>	<b>288,834,931,736.00</b>

#### Final Demand

A summary of the final demand as per BSE and NSE as on the Bid/Offer Closing Date as at different Bid prices is as under:

Sr. No	Bid Price	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
1	270	451,620	0.04	451,620	0.04
2	271	32,032	0.00	483,652	0.05
3	272	15,496	0.00	499,148	0.05
4	273	6,084	0.00	505,232	0.05

Sr. No	Bid Price	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
5	274	8,476	0.00	513,708	0.05
6	275	193,596	0.02	707,304	0.07
7	276	5,252	0.00	712,556	0.07
8	277	22,256	0.00	734,812	0.07
9	278	21,632	0.00	756,444	0.07
10	279	9,724	0.00	766,168	0.07
11	280	229,996	0.02	996,164	0.10
12	281	19,136	0.00	1,015,300	0.10
13	282	24,180	0.00	1,039,480	0.10
14	283	158,236	0.02	1,197,716	0.12
15	284	223,964	0.02	1,421,680	0.14
16	285	932,213,360	89.57	933,635,040	89.71
17	CUTOFF	107,085,732	10.29	1,040,720,772	100.00
<b>TOTAL</b>		<b>1,040,720,772</b>	<b>100.00</b>		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being BSE Limited on June 13, 2023.

#### A. Allotment to Retail Individual Bidders (after technical rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders (more than ₹ 2 lakhs and upto ₹ 10 lakhs), who have bid at Cut-Off Price or at the Offer Price of ₹ 285 per Equity, was finalized in consultation with BSE. This category has been subscribed to the extent of 13,770,223 times. The total number of Equity Shares Allotted in Retail Individual Bidders category is 7,448,246 Equity Shares to 143,235 successful applicants. The category-wise details of the Basis of Allotment are as under:

Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares allotted per applicant Bidder	Ratio	Total No. of Equity Shares allotted
52	1,254,336	89.42	65,225,472	63.59	52	29 : 284	6,660,368
104	67,110	4.78	6,979,440	6.80	52	29 : 284	356,356
156	19,832	1.41	3,093,792	3.02	52	29 : 284	105,300
208	11,320	0.81	2,354,560	2.30	52	29 : 284	60,112
260	9,047	0.64	2,352,220	2.29	52	29 : 284	48,048
312	4,569	0.33	1,425,528	1.39	52	29 : 284	24,232
364	5,024	0.36	1,828,736	1.78	52	29 : 284	26,676
416	2,591	0.18	1,077,856	1.05	52	29 : 284	13,780
468	1,684	0.12	788,112	0.77	52	29 : 284	8,944
520	5,148	0.37	2,676,960	2.61	52	29 : 284	27,352
572	887	0.06	507,364	0.49	52	29 : 284	4,680
624	1,043	0.07	650,832	0.63	52	29 : 284	5,512
676	20,123	1.43	13,603,148	13.26	52	29 : 284	106,860
<b>TOTAL</b>	<b>1,402,714</b>	<b>100.00</b>	<b>102,564,020</b>	<b>100.00</b>	<b>1</b>	<b>26 : 15151</b>	<b>7,448,246</b>

Please Note: 1 additional Share shall be allotted to 26 Allottees from amongst 15,151 Successful Applicants from the categories 104-676 (i.e., excluding successful applicants from Category 52) in the ratio of 26 : 15,151.

#### B. Allotment to Non-Institutional Bidders (more than ₹ 2 lakhs and upto ₹ 10 lakhs) (after technical rejections) (including ASBA Applications)

The Basis of Allotment to the Non-Institutional Bidders (more than ₹ 2 lakhs and upto ₹ 10 lakhs), who have bid at the Offer Price of ₹ 285 per Equity Share or above, was finalized in consultation with BSE. This category has been subscribed to the extent of 58,216,533. The total number of Equity Shares allotted in this category is 1,064,036 Equity Shares to 1,461 successful applicants. The category-wise details of the Basis of Allotment are as under: (Sample)

Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares allotted per applicant	Ratio	Total No. of Equity Shares allotted
728	74,207	93.39	54,022,696	87.21	728	11 : 598	993,720
780	1,394	1.75	1,087,320	1.76	728	13 : 697	18,928
832	316	0.40	262,912	0.42	728	3 : 158	4,368
884	195	0.25	172,380	0.28	728	4 : 195	2,912
936	183	0.23	171,288	0.28	728	3 : 183	2,184
988	89	0.11	87,932	0.14	728	2 : 89	1,456
1,040	473	0.60	491,920	0.79	728	9 : 473	6,552
1,092	121	0.15	132,132	0.21	728	2 : 121	1,456
3,380	24	0.03	81,120	0.13	728	1 : 24	728
3,432	37	0.05	126,984	0.20	728	1 : 37	728
3,484	530	0.67	1,846,520	2.98	728	1 : 53	7,280
<b>TOTAL</b>	<b>79,460</b>	<b>100</b>					