DRAFT RED HERRING PROSPECTUS
Dated: September 29, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

AZAD ENGINEERING LIMITED

Corporate Identity Number: U74210TG1983PLC004132

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad 500055, Telangana, India	Ful Kumar Gautam (*Company Secretary and Compliance Officer*)	Email: cs@azad.in Telephone: +91 40 2309 7007	www.azad.in

THE PROMOTER OF OUR COMPANY IS RAKESH CHOPDAR

DETAILS OF OFFER TO THE PUBLIC

Type	Fresh Issue size	Size of the Offer for Sale	Total Offer size	Eligibility and Reservations
Fresh Issue and Offer for Sale	Up to [●] equity shares of face value of ₹2 each aggregating up to ₹2,400.00 million	Up to [●] equity shares of face value of ₹2 each aggregating up to ₹5,000.00 million	Up to [●] equity shares of face value of ₹2 each aggregating up to ₹7,400.00 million	This Offer is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For details in relation to share reservation among QIBs, Non-Institutional Bidders, Retail Individual Bidder and Eligible Employees, see "*Offer Structure*" beginning on page 343.

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

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OFFERED/ AMOUNT IN ₹	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)#
Rakesh Chopdar	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹1,700.00 million	0.34
Piramal Structured Credit Opportunities Fund	Investor Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹2,800.00 million@	N.A.@
DMI Finance Private Limited	Other Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹500.00 million	267.03

As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.

@ *Currently Piramal Structured Credit Opportunities Fund holds 1,600 PSCOF CCDs which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. Accordingly, the weighted average cost of acquisition per Equity Share by Piramal Structured Credit Opportunities Fund will be recomputed prior to the filing of the Red Herring Prospectus with the RoC.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹2. The Floor Price, Cap Price and Offer Price (determined by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" beginning on page 98 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor 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 Bidders is invited to "*Risk Factors*" beginning on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' 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 the 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by them in this Draft Red Herring Prospectus solely in relation to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, does not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BRLMs	CONTACT PERSON	TELEPHONE AND EMAIL
Axis Capital Limited	Pratik Pednekar	**Tel**: +91 22 4325 2183 **E-mail**: azad.ipo@axiscap.in
ICICI Securities Limited	Ashik Joisar / Harsh Thakkar	**Tel**: +91 22 6807 7100 **E-mail**: azad.ipo@icicisecurities.com
SBI Capital Markets Limited	Vaibhav Shah	**Tel**: +91 22 4006 9807 **E-mail**: azad.ipo@sbicaps.com
Anand Rathi Advisors Limited	Pari Vaya / Arpan Tandon	**Tel**: +91 22 4047 7120 **E-mail**: ael.ipo@rathi.com

REGISTRAR TO THE OFFER

KFin Technologies Limited	**Contact Person:** M. Murali Krishna	**Tel:** +91 40 6716 2222 **E-mail:** azad.ipo@kfintech.com

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD*	[●]	**BID/OFFER OPENS ON**	[●]	**BID/OFFER CLOSES ON**#**	[●]

* *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, may, in consultation with the Book Running Lead Managers, 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.*

\# *The UPI Mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.*

DRAFT RED HERRING PROSPECTUS
Dated: September 29, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

AZAD ENGINEERING LIMITED

Our Company was originally incorporated as 'Azad Engineering Private Limited' at Hyderabad, Telangana, as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated September 14, 1983, issued by Registrar of Company, Telangana at Hyderabad ("**RoC**")**.** Subsequently, the name of our Company was changed to 'Azad Engineering Limited' pursuant to the conversion of our Company from a private limited company to a public limited company and a fresh certificate of incorporation dated September 5, 2023, was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 195**.**

Registered and Corporate Office: 90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad 500 055, Telangana, India
Contact Person: Ful Kumar Gautam, Company Secretary and Compliance Officer
E-mail: cs@azad.in; **Website**: www.azad.in**; Telephone**: +91 40 2309 7007; **Corporate Identity Number**: U74210TG1983PLC004132

THE PROMOTER OF OUR COMPANY IS RAKESH CHOPDAR

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF AZAD ENGINEERING LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹7,400.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,400.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,700.00 MILLION BY RAKESH CHOPDAR, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,800.00 MILLION* BY PIRAMAL STRUCTURED CREDIT OPPORTUNITIES FUND AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY DMI FINANCE PRIVATE LIMITED (COLLECTIVELY THE "SELLING SHAREHOLDERS") (SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). OUR COMPANY, PROMOTER SELLING SHAREHOLDER AND INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES, INCLUDING BY WAY OF A PRIVATE PLACEMENT, RIGHTS ISSUE, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹480.00 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE ISSUE CONSTITUTING AT LEAST [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY, PROMOTER SELLING SHAREHOLDER AND INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

* *Includes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

THE FACE VALUE OF EQUITY SHARES IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, PROMOTER SELLING SHAREHOLDER AND INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER, [●], ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER, [●], AND ALL EDITIONS OF THE TELUGU DAILY NEWSPAPER, [●], (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED AND CORPORATE 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 BSE LIMITED ("BSE") AND 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 THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, Promoter Selling Shareholder and Investor Selling Shareholder, may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Banks, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations and through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, "**QIB Portion**"). Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, 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 Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders such that: (a) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million, and (b) two-thirds of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (including UPI ID (as defined hereinafter) in case of UPI Bidders) which will be blocked by the SCSBs or the Sponsor Banks as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 347.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹2. The Floor Price, Cap Price and Offer Price (determined by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" beginning on page 98 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor 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 Bidders is invited to "*Risk Factors*" beginning on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' 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 the 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by them in this Draft Red Herring Prospectus solely in relation to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, does not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

LISTING

The Equity Shares that will be 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 letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and Section 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 374.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
AXIS CAPITAL	ICICI Securities	SBICAPS Complete Investment Banking Solutions	ANANDRATHI INVESTMENT BANKING	KFINTECH EXPERIENCE TRANSFORMATION
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** azad.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor grievance ID:** complaints@axiscap.in **Contact person:** Pratik Pednekar **SEBI registration number:** INM000012029	**ICICI Securities Limited** ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** azad.ipo@icicisecurities.com **Website:** www.icicisecurities.com **Investor grievance ID:** customercare@icicisecurities.com **Contact person:** Ashik Joisar/ Harsh Thakkar **SEBI registration number:** INM000011179	**SBI Capital Markets Limited** 1501, 15th Floor, A & B Wing Parinee Crescenzo, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4006 9807 **E-mail:** azad.ipo@sbicaps.com **Website:** www.sbicaps.com **Investor grievance ID:** investor.relations@sbicaps.com **Contact person:** Vaibhav Shah **SEBI registration number:** INM000003531	**Anand Rathi Advisors Limited** 11th Floor, Times Tower Kamla Mills Compound Senapati Bapat Marg, Lower Parel Mumbai 400 013, Maharashtra, India **Tel:** +91 22 4047 7120 **E-mail:** ael.ipo@rathi.com **Website:** www.anandrathiib.com **Investor grievance ID:** grievance.ecm@rathi.com **Contact person:** Pari Vaya/ Arpan Tandon **SEBI registration number:** INM000010478	**KFin Technologies Limited** Selenium Tower B, Plot No. 31 and 32 Financial District, Nanakramguda Serilingampally Hyderabad Rangareddi 500 032, Telangana, India **Tel:** +91 40 6716 2222 **E-mail:** azad.ipo@kfintech.com **Website:** www.kfintech.com **Investor grievance ID:** einward.ris@kfintech.com **Contact person:** M. Murali Krishna **SEBI registration number:** INR000000221

BID/OFFER PROGRAMME			
BID/OFFER OPENS ON*	[●]	**BID/OFFER CLOSES ON**#**	[●]

* *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
** *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, may, in consultation with the Book Running Lead Managers, 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.*
\# *The UPI Mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.*

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TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, directions, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, guidelines or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, SEBI Listing Regulations, the Companies Act, the SCRA, and the Depositories Act or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The terms not defined herein but used in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Our Group Companies", "Restated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" beginning on pages 98, 106, 111, 189, 195, 221, 224, 315, 347 and 365, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company" or "the Issuer" or "the Company"	Azad Engineering Limited, a public limited company incorporated under the Companies Act, 1956, having its registered and corporate office at 90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad 500 055, Telangana, India
"we" or "us" or "our"	Unless the context otherwise indicates or implies, our Company together with our Erstwhile Subsidiaries, on a consolidated basis as on the date of this Draft Red Herring Prospectus

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Board, as described in "*Our Management – Committees of the Board*" on page 208
"Board" or "Board of Directors"	Board of directors of our Company, as constituted from time to time
"CCD" or "Convertible Debentures"	Compulsorily convertible debentures of our Company
Chairman and CEO	Chairman of our Board and chief executive officer of our Company, namely, Rakesh Chopdar
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Ronak Jajoo
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely, Ful Kumar Gautam
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board, as described in "*Our Management – Committees of the Board*" on page 212
Director(s)	Directors on our Board
DMI CCD	Compulsorily convertible debentures of our Company bearing face value of ₹0.10 million each issued to DMI Finance Private Limited
Equity Shares	Equity shares of our Company bearing face value of ₹2 each
Executive Director(s)	Executive directors on our Board. For details of the Executive Directors, see "*Our Management*" beginning on page 203
"Erstwhile Subsidiary" or "Erstwhile Subsidiaries"	Erstwhile subsidiaries of our Company, namely, Agen Metcast Private Limited, Swastik Coaters Private Limited, Rouland Chemical Private Limited and Azad Engineering Pte. Limited
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations and the materiality policy of our Company. For details, see "*Our Group Companies*" beginning on page 221
Independent Chartered Accountant	Laxminiwas & Co., Chartered Accountants
Independent Chartered Engineer	P. Kanaka Rao

Term	Description
Independent Director(s)	Independent directors on our Board who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management*" beginning on page 203
IPO Committee	The IPO committee of our Board
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management – Key Managerial Personnel*" on page 215
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, as described in "*Our Management – Committees of the Board*" on page 210
OCD	Optionally convertible debentures of our Company bearing face value of ₹0.10 million each
Piramal DTD	Debenture trust deed dated August 12, 2022, by and amongst, our Company, Promoter and Piramal Trustee Services Private Limited as amended by the amendment agreement dated September 23, 2023
Preference Shares	390,000 compulsorily convertible preference shares of face value ₹ 100 each redeemed by our Company for an aggregate amount of ₹39,000,000, pursuant to a Board resolution dated July 1, 2021. There are no outstanding preference shares as on date of this Draft Red Herring Prospectus
Promoter	The Promoter of our Company, namely, Rakesh Chopdar. For further details, see "*Our Promoter and Promoter Group"* beginning on page 218
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group*" beginning on page 219
PSCOF CCD	CCDs bearing face value of ₹1.00 million each issued to Piramal Structured Credit Opportunities Fund
Registered and Corporate Office	90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad 500 055, Telangana, India
RoC	Registrar of Companies, Telangana at Hyderabad
Restated Financial Information	The restated financial information of our Company and our Erstwhile Subsidiaries, comprising of the restated consolidated statement of assets and liabilities as at and for the three month periods ended June 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the three month periods ended June 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time
Risk Management Committee	Risk management committee of our Board, as described in "*Our Management – Committees of the Board*" on page 212
"Senior Management" or "Senior Management Personnel"	Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in "*Our Management – Senior Management Personnel*" on 215
"SHA" or "Shareholders' Agreement"	Shareholders' agreement dated October 11, 2022, entered into between and amongst our Company, Rakesh Chopdar, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital, and parties deemed to be parties to the agreement pursuant to the respective deed of adherence, namely Nikhat Zareen, Pranavi Chandra, Pusarla Venkata Sindhu, Sachin Tendulkar, Saina Nehwal, Venkatsai Laxman Vangipurapu, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao
"SHA Amendment Agreement" or "Shareholders Amendment Agreement"	Waiver cum amendment agreement dated September 23, 2023, to the Shareholders' Agreement, entered into amongst Company, Rakesh Chopdar, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital, and parties deemed to be parties to the agreement pursuant to the respective deed of adherence, namely Nikhat Zareen, Pranavi Chandra, Pusarla Venkata Sindhu, Sachin Tendulkar, Saina Nehwal, Venkatsai Laxman Vangipurapu, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in "*Our Management – Committees of the Board*" on page 211

Term	Description
"Statutory Auditors" or "Auditors"	M S K A & Associates, Chartered Accountants
Whole-Time Director(s)	Whole-time directors on our Board. For details of the Whole-Time directors, see "*Our Management*" beginning on page 203

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot", "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to all the Bidders who have made Bids for 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
Anand Rathi	Anand Rathi Advisors Limited
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bidding Date" or "Anchor Investor Bid/ Offer Period"	The day, being 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 Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the 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 The Anchor Investor Offer Price will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An 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	Axis Capital Limited

Term	Description
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Bank(s) and Sponsor Banks
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For details, see "*Offer Procedure*" beginning on page 347
Bid(s)	An 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 which was net of the Employee Discount, as applicable However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/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, being [●], which shall be published in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Telugu daily newspaper, [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located). In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under SEBI ICDR Regulations. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●] which shall be published in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Telugu daily newspaper, [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation
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 (except Anchor Investors) can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, 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
"Bidder" or "Applicant"	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, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the 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 Part A of 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, Axis, ICICI Securities, SBICAPS and Anand Rathi
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor bank agreement dated [●], to be entered into between our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	The 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 from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Offer Period
Cut-off Price	The Offer Price finalised by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees under the Employee Reservation 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	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which 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 the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder 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 (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where relevant ASBA 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 websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 29, 2023, filed with SEBI and 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

Term	Description
Eligible Employee	All or any of the following: (a) a permanent employee of our Company working in India, as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount)
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 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 Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Employee Discount	A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) as may be offered by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹[●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH 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 a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being, [●]
EY	Ernst & Young Global Limited
EY LLP	EY Parthenon LLP
EY Report	Report titled "*Industry Overview for Azad Engineering*" dated September 27, 2023, issued by EY LLP and which has been commissioned and paid for by our Company, exclusively in connection with the Offer
"First Bidder" or "Sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the 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
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹2,400.00 million by our Company. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of such number of specified securities for cash consideration aggregating up to ₹480.00 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers. If the Pre-IPO Placement is undertaken, the minimum Offer size (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least [●]% of the post-Offer paid-up Equity Share capital of our Company subject to the Offer complying with rule 19(2)(b) of the SCRR
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The general information document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers

Term	Description
Gross Proceeds	The Offer proceeds from the Fresh Issue, including the proceeds, if any, received pursuant to the Pre-IPO Placement. For details in relation to use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 88
ICICI Securities	ICICI Securities Limited
Investor Selling Shareholder	Piramal Structured Credit Opportunities Fund
Materiality Policy	The policy adopted by our Board on September 22, 2023, for identification of material outstanding litigation involving our Company, Directors or Promoter, in accordance with the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between and amongst our Company and the Monitoring Agency
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less Offer expenses. For details in relation to use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 88
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs" or "NIIs"	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising of [●] Equity Shares which shall be available for allocation to NIIs in accordance with the SEBI ICDR Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The allocation to the NIIs shall be as follows: a) One-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million; and b) Two-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹1.00 million Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Rules and includes NRIs, FPIs and FVCIs
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] each (including a share premium of ₹[●] per Equity Share), aggregating up to ₹7,400.00 million, comprising of the Fresh Issue, Offer for Sale, and the Employee Reservation Portion. The Fresh Issue size will accordingly be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with rule 19(2)(b) of the SCRR
Offer for Sale	Offer for Sale of Offered Shares up to [●] Equity Shares aggregating up to ₹5,000.00 million by the Selling Shareholders
Offer Agreement	The offer agreement dated September 29, 2023, entered into between our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements are agreed upon in relation to the Offer
Offer Price	₹[●] per Equity Share, being the final price within the Price Band, being 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 in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers on the Pricing Date. A discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount (if any) will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	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 Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 88

Term	Description
Offered Shares	Up to [●] Equity Shares aggregating up to ₹1,700.00 million by Rakesh Chopdar, up to [●] Equity Shares aggregating up to ₹2,800.00 million* by Piramal Structured Credit Opportunities Fund and up to [●] Equity Shares aggregating up to ₹500.00 million by DMI Finance Private Limited **Includes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations*
Other Selling Shareholder	DMI Finance Private Limited
Pre-IPO Placement	Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may consider a further issue of specified securities, including by way of a private placement, rights issue, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹480.00 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid-up Equity Share capital of our Company, complying with Rule 19(2)(b) of the SCRR
Price Band	The price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with a wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Promoter Selling Shareholder	Rakesh Chopdar
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, with the Public Offer Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Banks	The banks which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
"QIBs" or "QIB Bidders" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the 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)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI
Registrar Agreement	Registrar agreement dated September 29, 2023, entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs

Term	Description
Resident Indian	A person resident in India, as defined under FEMA
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer comprising of [●] Equity Shares, aggregating to ₹[●] million which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
"RTAs" or "Registrar and Share Transfer Agents"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SBICAPS	SBI Capital Markets Limited
SCORES	Securities and Exchange Board of India Complaints Redress System
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated April 5, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, read with other applicable UPI Circulars, UPI Bidders bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose names appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided in the list 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
Selling Shareholders	Together, the Promoter Selling Shareholder, the Investor Selling Shareholder and the Other Selling Shareholder
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement namely, [●]
Share Escrow Agreement	Share escrow agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders for the purposes of credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Banks	[●] and [●], being Bankers to the Offer registered with SEBI, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	Syndicate agreement to be entered into between our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms

Term	Description
"Syndicate" or "members of the Syndicate"	Together, the Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	Underwriting agreement to be entered into between our Company, the Selling Shareholders and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees, under the Employee Reservation Portion, and (iii) Non-Institutional Bidders with an application size of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, 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 Circular no. 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circulars issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/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, including the UPI Circulars

Technical, Industry Related Terms or Abbreviations

Term	Description
3D	Three dimensional
Adjusted Capital Employed	Capital employed plus capital work in progress, capital advances and, cash and bank balance
Adjusted EBITDA	EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and Covid loss
Adjusted EBITDA Margin	Adjusted EBITDA as a percentage of revenue from operations.
Adjusted EBIT	Adjusted EBITDA minus depreciation
Adjusted PAT	Adjusted EBITDA minus depreciation, interest and tax plus other income plus OCD/CCD interest and OCD/CCD redemption
Adjusted profit for the year/ period	Adjusted PAT
Adjusted Profit margin	Adjusted PAT divided by Total Income

Term	Description
Adjusted Return on Capital Employed	(EBIT plus other income) divided by Adjusted Capital Employed
APUs	Auxiliary power units
Asset Turnover ratio	Revenue from operations divided by average total assets
Cash conversion cycle	Days of inventory outstanding plus days of sales outstanding plus days payables outstanding
CNC	Computer numerical control
Cost of Goods Sold	Sum of Cost of materials consumed, Purchases of stock-in-trade and increase/ decrease in inventories
CTQ	Critical to quality
Customer concentration (Top 5) %	Total revenue from top five customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period
Customer concentration (Top 10) %	Total revenue from top ten customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period
EBITDA	Profit/(loss) before tax minus other income plus finance costs, and depreciation and amortisation expense
EBITDA Growth	(EBITDA of current period / year minus EBITDA of previous period / year) divided by EBITDA of previous period / year
EBITDA Margin	EBITDA as a percentage of revenue from operations
EBIT	EBITDA minus depreciation and amortisation expenses
EBIT Margin	EBIT as a percentage of revenue from operations
EJ	Exajoules
EMS	Environmental management system
ERP	Enterprise Resource Planning
ESG	Environmental, social and governance
ETF	End two flange
FAI	First article inspection
Gross Profit	Revenue from operations minus cost of materials consumed, changes in inventories of finished goods and work-in-progress
Gross Profit Margin	Gross profit as a percentage of Revenue from operations
GW	Gigawatt
Inventory Days	Inventory days is defined as average inventory divided by revenue from operations multiplied by 365 for fiscal years and 91 days for three months period
ISMS	Information security management system
ITF	Interior two flange
MPP	Manufacturing process plans
MSA	Measurement system analysis
NABT	National Accredited Board for Testing
NADCAP	National Aerospace and Defence Contractors Accreditation Program
OEMs	Original equipment manufacturers
OHSAS	occupational health and safety assessment series
PPAP	Production part approval process
Profit before tax	Total income minus total expenses of our company for the year/period
Profit for the year/ period	Profit before tax minus tax expense for the year/period
Profit Margin	Profit after tax as a percentage of revenue from operations
Return on Capital Employed	(EBIT plus other income) divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current} and lease liabilities {current & non-current}
Revenue from operations	Total revenue generated by our Company from the sale of products, sale of services and other operating revenue – scrap sales
Revenue growth	Growth in Revenue from operations for the year / period of our Company
RPK	Revenue Passenger Kilometer
Trade Payable days	Average trade payables divided by Cost of Goods Sold multiplied by 365 for fiscal years and 91 days for three months period
Trade Receivable days	Average trade receivables divided by revenue from operations multiplied by 365 for fiscal years and 91 days for three months period

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." Or "Rupees" or "INR"	Indian Rupees
AIF(s)	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
"Bn" or "bn"	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I AIF	AIFs who are registered as "Category I 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 AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations

Term	Description
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020 issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
EUR	Euro
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	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
Income-tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000
JPY	Japanese Yen
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual Funds registered under the SEBI Mutual Fund Regulations
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
"NAV" or "Net Asset Value"	Net asset value
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NPCI	National Payments Corporation of India
NRE	Non-Resident External
NRI	An individual resident outside India, who is a citizen of India.
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date 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

Term	Description
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
“RoNW” or “Return on Net Worth”	Return on net worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FUTP Regulations	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
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	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
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 the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not 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", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoter and Promoter Group", "Restated Financial Information", "Management's Discussions and Analysis of Financial Position and Results of Operations", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" beginning on pages 28, 62, 76, 88, 111, 160, 218, 24, 292, 315, 347 and 365, respectively.

Primary business of our Company

We are one of the key manufacturers of our qualified product lines supplying to global original equipment manufacturers ("**OEMs**") in the aerospace and defence, energy, and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components (*Source: EY Report*). We manufacture complex and highly engineered precision forged and machined components that are mission and life-critical and hence, some of our products have a "zero parts per million" defects requirement (*Source: EY Report*). Our customers include global OEMs across the aerospace and defence, energy, and oil and gas industries such as General Electric, Honeywell International Inc., Mitsubishi Heavy Industries, Ltd., Siemens Energy, Eaton Aerospace and MAN Energy Solutions SE.

Industry in which our Company operates

Our diversified product ranges across aerospace and defence, energy, and oil and gas industries. We are one of the key manufacturers of our qualified product lines supplying to global OEMs primarily engaged in highly regulated industries, including aerospace and defence, energy, and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components (*Source: EY Report*).

Our Promoter

Our Promoter is Rakesh Chopdar. For further details, see "*Our Promoter and Promoter Group*" beginning on page 218.

Offer size

The following table summarizes the details of the Offer. For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 62 and 343, respectively.

Offer of Equity Shares(1)(2)(3)	Up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹7,400.00 million.
of which:	
(i) Fresh Issue(1)(4)	Up to [●] Equity Shares aggregating up to ₹2,400.00 million.
(ii) Offer for Sale(2)(3)	Up to [●] Equity Shares aggregating up to ₹5,000.00 million.
Employee Reservation Portion(5)	Up to [●] Equity Shares aggregating up to ₹[●] million.
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] million.

(1) The Fresh Issue has been authorised by a resolution of our Board at their meeting held on September 14, 2023, and a special resolution passed by our Shareholders at their meeting held on September 15, 2023.

(2) Includes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

(3) Our Board has taken on record approval for the Offer for Sale by each Selling Shareholder pursuant to its resolution dated September 29, 2023. Further, each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its respective portion of the Offered Shares, as set out below:

Name of the Selling Shareholder	*Number of Equity Shares held on a fully diluted basis*	*Type*	*Number of Equity Shares offered/ Amount in ₹*	*Date of corporate authorisation / board resolution*	*Date of consent letter*
Rakesh Chopdar	*42,241,800*	*Promoter Selling Shareholder*	*Up to [●] Equity Shares aggregating up to ₹1,700.00 million*	*N.A.*	*September 29, 2023*
Piramal Structured Credit Opportunities Fund	*6,476,310^*	*Investor Selling Shareholder*	*Up to [●] Equity Shares aggregating ₹2,800.00 million^*	*September 12, 2023*	*September 29, 2023*
DMI Finance Private Limited	*652,350*	*Other Selling Shareholder*	*Up to [●] Equity Shares aggregating up to ₹500.00 million*	*September 25, 2023*	*September 29, 2023*

^Includes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

(4) Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may consider the Pre-IPO Placement aggregating up ₹480.00 million. If the Pre-IPO Placement is undertaken, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●] % of the post-Offer paid-up Equity Share capital of our Company.

(5) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation

Portion after allocation of up to ₹0.50 million (net of Employee Discount), shall be added to the Net Offer. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see "Offer Procedure" and "Offer Structure" on pages 347 and 343, respectively.

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

Objects of the Offer

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

Objects	Estimated amount (in ₹ million)
Funding capital expenditure of our Company	603.95
Repayment/ prepayment, in part or full, of certain borrowings availed by our Company	1,381.88
General corporate purposes(1)	[●]
Net Proceeds(1) (2)	[●]

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

(2) *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●] % of the post-Offer paid-up Equity Share capital of our Company.*

For further details, see "*Objects of the Offer*" beginning on page 88.

Aggregate pre-Offer shareholding of our Promoter and members of the Promoter Group

The aggregate pre-Offer shareholding of our Promoter and members of the Promoter Group as a percentage of pre-Offer paid-up Equity Share Capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

Category of Shareholders	No. of Equity Shares held on a fully diluted basis	% of total paid up Equity Share capital on a fully diluted basis*
Promoter		
Rakesh Chopdar	42,241,800	75.39
Promoter Group (other than the Promoter)		
Kartik Chopdar	297,300	0.53
Satwik Chopdar	148,650	0.27
Jyoti Chopdar	144,000	0.26
Deepak Chopdar	11,820	0.02
Babita Shripalsingh Sulhyan	12,000	0.02
Ella Walia	6,000	0.01
Amit Walia	6,000	0.01

* *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "Capital Structure – Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

Aggregate pre-Offer shareholding of the Selling Shareholders

The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share Capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

Name of Selling Shareholders	No. of Equity Shares held on a fully diluted basis	% of total paid up Equity Share capital on a fully diluted basis*
Rakesh Chopdar	42,241,800	75.39
Piramal Structured Credit Opportunities Fund	6,476,310*	11.56
DMI Finance Private Limited	652,350	1.16

* *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. Piramal Structured Credit Opportunities Fund does not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. For further details, see "Capital Structure – Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

For further details, see "*Capital Structure - History of the Equity Share capital held by our Promoter*" beginning on page 82.

Summary of Restated Financial Information

The following details are derived from the Restated Financial Information:

(in ₹ million, unless otherwise stated)

Particulars	As at and for the three months period ended	As at and for the Financial Year ended		
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share capital[$#]	16.52	16.52	15.13	15.13
Total equity	2,114.29	2,039.88	1,200.07	908.92
Total income	760.57	2,615.21	1,992.63	1,250.30
Profit after tax	74.04	84.73	294.57	115.00
Earnings per share – Basic (in ₹)	1.49	1.79	6.49	2.53
Earnings per share – Diluted (in ₹)	1.49	1.79	6.49	2.53
Return on Net Worth ratio[(1)] (%)	3.57	4.23	25.37	12.65
Net Asset Value per Equity Share (in ₹) [(2)]	41.88	42.30	25.58	20.02
Borrowings	3,254.36	3,006.01	1,971.80	877.13

[#] *Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.*

[$] *Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up Equity Share.*

1. *Return on Net Worth (%) = Profit after tax for the period/year divided by total equity excluding capital redemption reserve.*
2. *Net Asset Value per equity share is calculated as total net worth divided by weighted average number of equity shares outstanding.*
3. *Net Worth represents Total Equity excluding capital redemption reserve.*

For further details, see *"Financial Information"* and *"Other Financial Information"* beginning on pages 224 and 285, respectively.

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

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Promoter, Directors and Group Companies as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved (₹ in million)[(1)]
Company						
By the Company	Nil	Nil	Nil	N.A.	Nil	Nil
Against the Company	Nil	66	1[*]	N.A.	Nil	250.33
Directors						
By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against the Directors	Nil	Nil	1	N.A.	Nil	Nil
Promoter						
By Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoter	Nil	Nil	1	Nil	Nil	Nil
Group Companies						
By Group Companies	Nil	Nil	Nil	N.A.	Nil	Nil
Against Group Companies	Nil	Nil	Nil	N.A.	Nil	Nil

(1) To the extent quantifiable

[*] *This action has also been taken against our officers in default as defined under Companies Act, 2013, which include our Company's Whole-time Directors and KMPs. For details see "Outstanding Litigation and Material Developments" beginning on page 315.*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 315.

Risk Factors

Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 28 to have an informed view before making an investment decision.

Summary of Contingent Liabilities

The summary of our contingent liabilities as per Ind AS 37 derived from our Restated Financial Information as on June 30, 2023 are set forth in the table below:

(₹ in million)

Particulars	As at June 30, 2023
(a) Contingent Liabilities	
Direct Tax	6.82
Customs Duty	86.24
Bank guarantees	0.50
(b) Capital Commitments	
Unexecuted capital orders to the extent not provided for	600.54

For details on contingent liabilities, as per Ind AS 37, see "*Restated Financial Information – Annexure VII – Notes to Restated INDAS Consolidated Financial Information – Note 29*" on page 268.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties as at and for the three months period ended June 30, 2023, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 derived from our Restated Financial Information is as follows:

(*In ₹ million*)

Particulars	For the three months period ended	For the Financial Year ended		
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(i) KMPs remuneration:	**16.26**	**66.49**	**61.75**	**30.32**
Rakesh Chopdar	9.84	45.90	41.12	19.30
Jyoti Chopdar	3.00	12.00	13.87	6.53
Ful Kumar Gautam	0.45	2.22	1.21	0.99
Vishnu Pramodkumar Malpani	1.80	4.22	4.22	3.50
Ronak Jajoo	1.17	2.15	1.33	-
(ii) KMPs relatives remuneration:	**1.02**	**4.21**	**3.92**	2.40
Kartik Chopdar	0.90	3.85	3.92	2.40
Satwik Chopdar	0.12	0.36	-	-
(iii) Loan taken/(repaid) from/ to related parties:	**(1.00)**	**(2.91)**	**(9.26)**	**7.78**
Rakesh Chopdar	-	-	(4.46)	-
Jyoti Chopdar	(1.00)	(2.91)	(4.80)	7.78
(iv) Advances given to employees:	-	-	**3.00**	-
Vishnu Pramodkumar Malpani	-	-	1.00	-
Ronak Jajoo	-	-	1.00	-
Ful Kumar Gautam	-	-	1.00	-
(v) Rental income:	-	**0.08**	**0.08**	**0.08**
Atlas Fasteners	-	0.08	0.08	0.08
(vi) Sale of goods and services:	**0.41**	**0.23**	**0.03**	**0.13**
Atlas Fasteners	0.41	0.23	0.03	0.13
(vii) Other deposits and advances:	**0.24**	**8.22**	**0.50**	**2.16**
Agen Metcast Private Limited	-	-	0.50	-
Atlas Fasteners	0.24	8.22	-	2.16

Particulars	For the three months period ended	For the Financial Year ended		
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Rent expenses	**0.06**	**0.26**	**0.24**	**-**
Rouland Chemicals Private Limited	0.03	0.13	0.12	-
Swastik Coaters Private Limited	0.03	0.13	0.12	-
Sale of goods or services	**-**	**-**	**-**	**0.21**
Agen Metcast Private Limited	-	-	-	0.21
Transactions by Rouland Chemicals Private Limited	**0.03**	**0.13**	**0.12**	**-**
Rental income from parent company	0.03	0.13	0.12	-
Transactions by Swastik Coaters Private Limited	**0.03**	**0.13**	**0.12**	**-**
Rental income from parent company	0.03	0.13	0.12	-
Transactions by Agen Metcast Private Limited	**-**	**-**	**-**	**0.21**
Purchases of goods from parent company	-	-	-	0.21

Note: All related party transactions entered during the year were in ordinary course of the business and on arm's length basis.

For details of the related party transactions, see "*Restated Financial Information – Annexure VII – Notes to Restated INDAS Consolidated Financial Information – Note 32*", *"History and Certain Corporate Matters"* and *"Our Promoter and Promoter Group"* beginning on pages 272, 195 and 218.

Weighted average price at which the specified securities were acquired by the Promoter and the Selling Shareholders of the Company in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by the Promoter and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus.

Name of the Shareholder	Number of equity shares acquired in the one year preceding the date hereof	Weighted average price of acquisition per equity share (in ₹)*(1)(2)(3)
Rakesh Chopdar#	42,516,615	Nil
Piramal Structured Credit Opportunities Fund	Nil(3)	N.A.
DMI Finance Private Limited	674,093	267.03

** As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.*
 # Rakesh Chopdar is also the Promoter Selling Shareholder.
(1) Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.
(2) Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up equity share.
(3) Currently Piramal Structured Credit Opportunities Fund holds 1,600 PSCOF CCDs which shall be converted to Equity Shares, subject to the provisions of Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations.

Average cost of acquisition for Promoter and the Selling Shareholders

The average cost of acquisition per Equity Shares of our Promoter and Selling Shareholders is as follows:

Name of the Shareholder	Number of Equity Shares held as on date of this DRHP on a fully diluted basis	Weighted average cost of acquisition per Equity Share on a fully diluted basis (in ₹)*(2)
Rakesh Chopdar@	42,241,800	0.34
Piramal Structured Credit Opportunities Fund	Nil(1)	N.A.
DMI Finance Private Limited	652,350	267.03

** As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.*
@ Rakesh Chopdar is also the Promoter Selling Shareholder.
(1) Currently Piramal Structured Credit Opportunities Fund holds 1,600 PSCOF CCDs which shall be converted to Equity Shares, subject to the provisions of Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations.
(2) Pursuant to a resolution passed by the Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each.

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

Except as stated below, no specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoter, members of the Promoter Group, the Selling Shareholders and Shareholders with special right to nominate one or more directors on the Board of our Company.

Name of the acquirer/ Shareholder	Date of allotment/ transfer of equity shares	Number of equity shares acquired(2)	Face value per equity share(1)	Acquisition price per equity share (in ₹)*
Promoter				
Rakesh Chopdar@	May 26, 2023(3)	1,600	10	Nil
	September 12, 2023(1)	5,864,140	2	Nil
	September 18, 2023(2)	36,650,875	2	Nil
Promoter Group				
Jyoti Chopdar	September 12, 2023(1)	19,200	2	Nil
	September 18, 2023(2)	120,000	2	Nil
Amit Walia	September 28, 2023(4)	6,000	2	Nil
Ella Walia	September 28, 2023(4)	6,000	2	Nil
Babita Shripalsingh Sulhyan	September 28, 2023(4)	12,000	2	Nil
Deepak Chopdar	September 28, 2023(4)	11,820	2	Nil
Kartik Chopdar	September 28, 2023(4)	297,300	2	Nil
Satwik Chopdar	September 28, 2023(4)	148,650	2	Nil
Selling Shareholders (Other than the Promoter and Shareholders with special right to nominate directors or having other rights)				
DMI Finance Private Limited	October 13, 2022	42,932	10	4,139.07
	September 12, 2023(1)	86,980	2	Nil
	September 18, 2023(2)	543,625	2	Nil
Shareholders with special right to nominate directors or having other rights				
Vivek Mundra	October 17, 2022	28,541	10	6,023
	November 29, 2022	6,523	10	10,441
	September 12, 2023(1)	140,526	2	Nil
	September 18, 2023(2)	876,600	2	Nil
Nageshwar Reddy Duvvur	October 17, 2022	19,028	10	6,023
	November 29, 2022	4,349	10	10,441
	September 12, 2023(1)	93,508	2	Nil
	September 18, 2023(2)	584,425	2	Nil
Venkata Subbaraju Penmetsa	October 17, 2022	10,703	10	6,023
	November 29, 2022	1,890	10	10,441
	March 6, 2023	6,721	10	6,845
	September 12, 2023(1)	70,136	2	Nil
	September 18, 2023(2)	438,350	2	Nil
Rajyalakshmi Penmetsa	October 17, 2022	9,514	10	6,023
	November 22,2022	2,174	10	10,441
	March 6, 2023	5,844	10	6,845
	September 12, 2023(1)	59,032	2	Nil
	September 18, 2023(2)	368,950	2	Nil
Bindiya Mahapatra	October 17, 2022	9,514	10	6,023
	December 5, 2022	2,174	10	10,441
	September 12, 2023(1)	46,752	2	Nil
	September 18, 2023(2)	292,200	2	Nil
Venkata Krishnam Raju Alluri	October 17, 2022	5,946	10	6,023
	November 29, 2022	1,395	10	10,441
	September 12, 2023(1)	29,220	2	Nil
	September 18, 2023(2)	182,625	2	Nil
Vijay Kumar Raju Alluri	October 17, 2022	2,378	10	6,023
	November 29, 2022	544	10	10,441
	September 12, 2023(1)	11,688	2	Nil
	September 18, 2023(2)	73,050	2	Nil
Pilot Consultants Private Limited	October 17, 2022	4,757	10	6,023
	November 29, 2022	1,087	10	10,441
	September 12, 2023(1)	23,376	2	Nil
	September 18, 2023(2)	146,100	2	Nil
Plutus Capital	October 17, 2022	4,757	10	6,023
	November 29, 2022	1,087	10	10,441
	September 12, 2023(1)	23,376	2	Nil
	September 18, 2023(2)	146,100	2	Nil
Sachin Ramesh Tendulkar	March 6, 2023	14,607	10	3,423
	September 12, 2023(1)	58,428	2	Nil

Name of the acquirer/ Shareholder	Date of allotment/ transfer of equity shares	Number of equity shares acquired[(2)]	Face value per equity share[(1)]	Acquisition price per equity share (in ₹)*
	September 18, 2023[(2)]	365,175	2	Nil
Dheeraj Reddy Endela	March 6, 2023	439	10	6,845
	September 12, 2023[(1)]	1,756	2	Nil
	September 18, 2023[(2)]	10,975	2	Nil
Venkatsai Laxman Vangipurapu	March 11, 2023	1,460	10	6,845
	September 12, 2023[(1)]	5,840	2	Nil
	September 18, 2023[(2)]	36,500	2	Nil
Velagapudi Pranavi Chandra	March 11, 2023	1,460	10	6,845
	September 12, 2023[(1)]	5,840	2	Nil
	September 18, 2023[(2)]	36,500	2	Nil
Saina Nehwal	March 11, 2023	1,460	10	6,845
	September 12, 2023[(1)]	5,840	2	Nil
	September 18, 2023[(2)]	36,500	2	Nil
Nikhat Zareen	March 11, 2023	1,460	10	6,845
	September 12, 2023[(1)]	5,840	2	Nil
	September 18, 2023[(2)]	36,500	2	Nil
Asian Institute of Gastro Enterology Private Limited	March 11, 2023	1,461	10	6,845
	September 12, 2023[(1)]	5,844	2	Nil
	September 18, 2023[(2)]	36,525	2	Nil
Chamudeswara Nath Vankina	March 11, 2023	2,922	10	6,845
	September 12, 2023[(1)]	11,688	2	Nil
	September 18, 2023[(2)]	73,050	2	Nil
Venkat Rao Guduru	March 11, 2023	731	10	6,845
	September 12, 2023[(1)]	2,924	2	Nil
	September 18, 2023[(2)]	18,275	2	Nil
Anitha Mudireddy	March 11, 2023	439	10	6,845
	September 12, 2023[(1)]	1,756	2	Nil
	September 18, 2023[(2)]	10,975	2	Nil
Anupa Sajjanar	March 11, 2023	585	10	6,845
	September 12, 2023[(1)]	2,340	2	Nil
	September 18, 2023[(2)]	14,625	2	Nil
N Srinivas Rao	March 11, 2023	585	10	6,845
	September 12, 2023[(1)]	2,340	2	Nil
	September 18, 2023[(2)]	14,625	2	Nil
Milind Chama	March 21, 2023	731	10	6,845
	September 12, 2023[(1)]	2,924	2	Nil
	September 18, 2023[(2)]	18,275	2	Nil
Pusarla Venkata Sindhu	March 24, 2023	1,460	10	6,845
	September 12, 2023[(1)]	5,840	2	Nil
	September 18, 2023[(2)]	36,500	2	Nil

** As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.*

@ Rakesh Chopdar is also the Promoter Selling Shareholder.

(1) Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.

(2) Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up equity share.

(3) Acquired by way of transmission.

(4) Acquired by way of gift.

Name of the acquirer/ Shareholder	Date of allotment of compulsorily convertible debentures	Number of compulsorily convertible debentures acquired	Face value per compulsorily convertible debenture	Acquisition price per compulsorily convertible debenture (in ₹)*
Selling Shareholders				
Piramal Structure Credit Opportunities Fund[(1)]	August 13, 2022	1,600	1,000,000	1,000,000
DMI Finance Private Limited[(2)]	July 5, 2021	1,080	100,000	100,000
	October 19, 2021	720	100,000	100,000

** As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.*

(1) 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

(2) 1,800 DMI CCDs were converted to 43,488 equity shares on October 13, 2022. As on the date of this Draft Red Herring Prospectus, DMI Finance Private Limited does not hold any CCDs. For further details, see "– Notes to the Capital Structure – Equity Share Capital Build-up of our Company" on page 76.

Name of the acquirer/ Shareholder	Date of allotment of optionally convertible debentures[(1)]	Number of optionally convertible debentures acquired	Face value per optionally convertible debentures	Acquisition price per optionally convertible debentures (in ₹)*
Selling Shareholders				
DMI Finance Private Limited	May 7, 2021	2,520	100,000	100,000
	October 19, 2021	1,680	100,000	100,000

** As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.*
(1) All OCDs were redeemed on October 7, 2022.

Issue of Equity Shares made in the last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of the equity shares of our Company in the last one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each. For further details, see "*Capital Structure– Notes to the Capital Structure – Equity share capital history of our Company*" on page 76.

Financing Arrangements

There have been no financing arrangements whereby the Promoter, members of our Promoter Group, our Directors or any of their relatives (as defined under the Companies Act, 2013), have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Details of pre-IPO placement

Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may consider a further issue of specified securities, including by way of a private placement, rights issue, preferential offer or any other method as may be permitted under applicable law to any person(s) aggregating up to ₹480.00 million, at its discretion, prior to the filing of the Draft Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid-up Equity Share capital of our Company.

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

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

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to "USA", "U.S." and "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a 'year' in this Draft Red Herring Prospectus are to a calendar year.

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.

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 Financial Information. For further information, see "*Restated Financial Information*" and "*Other Financial Information*" beginning on pages 224 and 285, respectively.

The Restated Financial Information of our Company and Erstwhile Subsidiaries, comprising of the restated consolidated statement of assets and liabilities as at and for the three month periods ended June 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the three month periods ended June 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time.

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

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company, as set forth in the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 28, 160 and 292, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Information, as applicable.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-GAAP measures such as Gross Profit, Gross Margin, EBITDA, Adjusted EBITDA, EBITDA Growth, EBITDA Margin, Profit Margin, Adjusted PAT, Return on Capital Employed and Adjusted ROCE ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our business, performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit after tax 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, or IFRS. In addition, these Non-GAAP Measures are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry, 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.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "EUR" or "€" are to the Euro, the official currency of the European Union;
- "JPY" or "¥" are to the Japanese Yen, the official currency of Japan; and
- "USD" or "U.S.$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents '10 lakhs' or 1,000,000 and one billion represents '10,000 lakhs' or 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Information in decimals have been rounded off to two decimal places. Due to such rounding off, in certain instances, the sum or percentage change of such numbers may not conform exactly to the total figure given. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

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

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

(Amount in ₹)

Currency	As of June 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
1 EUR	89.13	89.61	84.66	86.10
100 JPY	56.77	61.80	62.23	66.36
1 USD	82.04	82.22	75.80	73.50

(Source: www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Draft Red Herring Prospectus is derived from the EY Report which has been exclusively commissioned and paid for by our Company, pursuant to an engagement letter dated July 18, 2023, for the purpose of understanding the industry in connection with this Offer, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the EY Report. This Draft Red Herring Prospectus contains certain data and statistics from the EY Report, which is available on the website of our Company at www.azad.in/investors. EY LLP is an independent agency which has no relationship with our Company, our Promoter, any of our Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable. Further, EY LLP has confirmed that to the best of its knowledge no consent is required from any Government or other source from which any information is used in the EY Report.

The EY Report is subject to the following disclaimer:

EY Report was prepared by EY LLP for the Company based on information available in public domain and discussion with industry participants for the purpose of providing industry assessment report on the industry which the Company operates and will be used as a reference report in the "Our Industry" and other sections, as may be applicable, of the Company's Offer Documents. In preparing the EY Report we did not, and could not, take into account any specific requirements that any third party may have. Therefore, to the extent that such requirements differ from your specific requirements, please note that they were not required to be dealt with in the EY Report hence we have no responsibility to anyone else except the Client. The EY Report includes judgmental estimates and assumptions about circumstances and events. Accordingly, we cannot provide any assurance that the projected market estimates will be attained in this ever-changing dynamic market environment.

EY LLP has taken due care and caution in preparing this "EY Report" based on the information obtained by EY LLP from sources which it considers reliable ("Data"). EY has relied on Company representation for all data provided by the Company and used by EY for the purpose of Industry section in DRHP. This EY Report is not a recommendation to invest / disinvest in any entity/industry covered in the EY Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the EY Report is to be construed as EY providing or intending to provide any services in jurisdictions where EY does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the EY Report or part thereof outside India.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

For details of risks in relation to EY Report, see "*Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from EY LLP, appointed by our Company pursuant to an engagement letter dated July 18, 2023. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 40. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 98 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "project", "seek" "will", "will achieve", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our expected financial conditions, results of operations, business plans, prospects, our strategies, objectives, plans revenue, and profitability (including, without limitation, any financial or operating projections or forecasts) or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this DRHP that are not statements of historical fact are 'forward–looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, restrictions resulting from the COVID-19 pandemic, regulatory changes pertaining to the industries in India and other overseas jurisdictions in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its 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 industries in which we operate and incidence of any natural calamities and/or acts of violence..

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

- Our business is dependent on the sale of our products to key customers;
- We are highly dependent on our Hyderabad facilities for the entire portion of our revenue from operations;
- Any failure to compete effectively in the highly competitive global industry of high precision and mission critical components manufacturing;
- Our contracts/ purchase orders may not be indicative of our future growth rate or new business orders we will receive in the future;
- The global nature of our operations exposes us to numerous risks;
- The markets in which our customers compete are characterized by sectors specific to the industries which we cater to, and their rapidly changing preferences and other related factors including lower manufacturing costs;
- There may be problems with the products we manufacture or service that could result in liability claims against us, reduced demand for our services and damage to our reputation;
- We are highly dependent on our Promoter and our management team, senior management and key managerial personnel;
- We depend on third party suppliers for raw materials and components, which are on a purchase order basis; and
- We are subject to strict compliance of quality requirements which results in incurring significant expenses to maintain our product quality.

For further details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 28, 111, 160 and 292, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

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

In accordance with the SEBI ICDR Regulations, our Company, will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, the Selling Shareholders, severally and not jointly, (solely to the extent of statements specifically made or confirmed by such Selling

Shareholder in relation to its respective portion of Offered Shares in this DRHP) shall ensure that the Company and BRLMs are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by them in relation to themselves as Selling Shareholders and the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholders in relation to themselves as a Selling Shareholders and the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders.

SECTION II: RISK FACTORS

An investment in the equity shares involves a certain degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", "Financial Information", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 111, 160, 189, 224 and 292, respectively, before making an investment decision in relation to the Equity Shares.

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

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

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 26.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. However, there are certain risk factors where such implications are not quantifiable, and hence any quantification of the underlying risks has not been disclosed in such risk factors. Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our Summary of Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Summary of Restated Financial Information" on page 64.

Unless the context otherwise requires, references to our "customer" or "customers" shall be deemed to include affiliates or group entities of our customers, as applicable. Unless otherwise indicated or unless the context requires otherwise, industry and market data used in this section have been derived from the EY Report, prepared and issued by EY LLP exclusively for the purpose of this Offer, and commissioned and paid for by our Company. EY LLP was appointed by us pursuant to an engagement letter dated July 18, 2023. A copy of the EY Report is available on the website of our Company at www.azad.in/investors from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date. The data included herein includes excerpts from the EY Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the EY Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 23.

INTERNAL RISK FACTORS

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

We are dependent on certain of our key customers and the details of contribution of our top five customers to our total revenue from operations for the three months period ended June 30, 2023, and Fiscals 2023, 2022 and 2021, have been set out below:

Particulars	For the three months period ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Customer concentration (Top 5) *#(in %)	65.09	63.11	54.82	59.90

Customer concentration (Top 5) % indicates total revenue from top five customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.
#Includes affiliates or group entities of our customers, as applicable.

We have long-term relationships with customers such as General Electric and Mitsubishi Heavy Industries, Ltd., having had an average relationship of over 10 years as on June 30, 2023, with the aforementioned customers. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers and we cannot assure you that we will be able to significantly reduce customer concentration in the future. Some of our customer contracts have expired and are due for renewal in the ordinary course of business. Reliance on certain key customers for significant revenue may generally involve several risks and we may have difficulty in securing comparable levels of business from other customers to offset any loss of revenue from the loss of any such key customers. Further, we may not find any other customers for the surplus or excess capacity, in which case we may be faced to incur a loss. Risks involved with reliance on key customers for significant revenue may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers, failure to renew contracts with one or more of our significant customers, failure to renegotiate favourable terms with our key customers or the loss of these customers entirely, all of which would have a material adverse effect on the business, results of operations, financial condition, cash flows and future prospects of our Company. Also, see " – *Our contracts/ purchase orders may not be indicative of our future growth rate or new business orders we will receive in the future. Further, we may not realize all of the revenue expected from our contracts/ purchase orders*." on page 30.

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

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

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

2. We are highly dependent on our Hyderabad facilities for the entire portion of our revenue from operations. Any disruption, breakdown or shutdown of our Hyderabad facility may adversely affect our business, results of operations, financial condition, cash flows and future prospects.

We derive the entire portion of our revenue from operations from our Hyderabad facilities. Any disruptions, breakdown or shutdown of our Hyderabad facilities, due to, *inter alia*, (i) breakdown or failure of equipment, (ii) disruption in power supply or processes, (iii) performance below expected levels of efficiency, (iv) obsolescence, (v) labour disputes, (vi) infectious diseases (such as the COVID-19 pandemic), and (vii) political instability, could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, results of operations, financial condition, cash flows and future prospects.

There are no instances in the past linked to the location of the Company's manufacturing facilities in Hyderabad, that have materially and adversely affected business and operations of the Company. However, our operations are susceptible to local and regional factors, such as accidents, political factors, system failures, economic and weather conditions, natural disasters, and demographic and population changes, the outbreak of infectious diseases such as COVID-19 and other unforeseen events and circumstances. For instance, in 2021, a minor fire broke out in the magnetic part inspection section of one of our Company's manufacturing facilities in Hyderabad and subsequently spread to the adjacent tool store and tool grinding machine section leading damage to, *inter alia*, the building, electrical fittings and various tools. While there were no casualties, and no ensuing criminal or civil liabilities were imposed on our Company, the loss or shutting down of our manufacturing facilities or casualty due to any such instances leading to civil or criminal suits being filed against our Company in the future could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. Further, disruptions, damage or destruction of those facilities may severely affect our ability to meet our customers' demand and the loss of our customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects. In addition, we may also be required to carry out planned shutdowns of our Hyderabad facilities for maintenance, statutory inspections and testing, or for capacity expansion and equipment upgrades. For the three months period ended June 30, 2023 and in Financial Year 2023, 2022 and 2021, we have spent ₹5.55 million, and ₹18.11 million, ₹6.85 million and ₹6.42 million, respectively, towards general repair and maintenance of our machinery. We cannot assure you that such general repair and maintenance costs for our machinery will not increase in the future which could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Although we try to minimize the risk from any significant operational problems at our manufacturing facilities, there can be no assurance that we will not face such disruptions in the future. Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our reputation, profitability, business, financial condition, results of operations, cash flows and prospects. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

3. Any failure to compete effectively in the highly competitive global industry of high precision and mission critical

components manufacturing could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

We face competition globally in our business against other manufacturers of high precision and mission critical components manufacturing, which is based on many factors, including product quality and reliability, product design and innovation, technology, manufacturing capabilities, price and brand recognition. We compete with competitors to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios.

Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. In addition, certain key customers to whom we currently sell certain products could decide to compete with us as manufacturers of these products. For further details of our competition, see "*Industry Overview*" and "*Our Business – Competition*" on pages 111 and 187, respectively.

During periods of recession in the industries in which we operate, our customers may become more price sensitive. We may also be at a competitive disadvantage with respect to price when compared to manufacturers with lower cost structures, particularly those with more offshore facilities located where labour and other costs are lower. The availability of excess manufacturing capacity for our competitors creates intense pricing and competitive pressure on the industries in which we operate as a whole. If competitors can offer a lower cost on products, or provide products more quickly, at equivalent or in some cases even reduced effort and better efficiency, we may lose new business opportunities or contract recompetes, which could adversely affect our future results.

Our success depends in part on our ability to provide technologically advanced manufacturing products, maintain strict quality standards, respond flexibly and rapidly to customers' design and schedule changes, deliver products globally and on time and on a reliable basis at competitive prices and seek to create enhanced relationships with our customers with our advanced technology and engineering solutions. There can also be no assurance that we will be able to establish a compelling advantage over our competitors. Further, we may also not be able to utilize our available manufacturing capacity, which in turn could have material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

4. ***Our contracts/ purchase orders may not be indicative of our future growth rate or new business orders we will receive in the future. Further, we may not realize all of the revenue expected from our contracts/ purchase orders.***

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

We received purchase orders pursuant to (a) RFQs/ RFPs, (b) LTAs/ LTCs, and (c) tenders. While we have long-term agreements with certain customers ranging from a period of three to ten years, in accordance with such long-term agreements, we may not have any recourse in the event of an unexpected delay or cancellation of such agreements. Certain of our customer contracts and purchase orders may have penalties/ damages in relation to delayed/ late delivery or delivery of defective products in accordance with such agreements/ contracts. Certain contract requires to give first preference of product delivery to favoured customers. Further, in certain contracts there is a reference to few machineries being booked for specific customers which might create a hindrance for the Company to deliver products to the other customers.

We are also liable to our customers on procurement of raw materials from non-approved sources. We may also be required to replace a supplier if its products do not meet our customer's safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions. Further, some of our agreements/ contracts may be terminated by our customers, including without cause.

We may also be required to undertake price reduction in certain cases on a year-on-year basis under some of our agreements/ contracts. Further, in certain cases, we may be required to demonstrate cost-efficiencies over time and provide reduced costs on the product under some of our agreements/ contracts. We are also bound by confidentiality obligations under our customer contracts, violation of which could result in legal actions by our customers.

Our business pipeline and growth projections are not necessarily an accurate indication of what our actual sales and revenues from such orders will be, nor does it purport to project our business, results of operations, financial condition or cash flows for any future period or date. Accordingly, we may not be able to realize any or all of the future revenue indicated by our business pipeline and this could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

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

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

	Three months period ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Outside India (in ₹ million)	688.36	2,023.08	1,518.17	1,007.33
Outside India % (in %)	90.68	80.38	78.07	82.08

The following table demonstrates the sensitivity to a reasonably possible change in the US$ dollar exchange rate (or any other material currency) as of June 30, 2023, with all other variables held constant, of our profit before tax (due to changes in the fair value of monetary assets and liabilities). Our exposure to foreign currency changes for all other currencies is not material.

Currency	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
US$	(8.37)	8.37	(6.26)	6.26
Euro	10.04	(10.04)	7.51	(7.51)
JPY	(0.04)	0.04	(0.03)	0.03

Further, the table set forth below provides a sensitivity analysis based on the composition of our financial assets and liabilities in foreign currency as at June 30, 2023:

Particular	Currency	Amount in Foreign Currency in Million (*US$, Euro and JPY, as applicable*)	Amount (in ₹ million)	Impact on profit	
				1% increase	1% decrease
Financial assets	US$	10.71	878.98	8.79	(8.79)
Financial liabilities	US$	12.75	1,046.32	(10.46)	10.46
Financial assets	Euro	2.25	200.70	2.01	(2.01)
Financial liabilities	Euro	-	-	-	-
Financial assets	JPY	-	-	-	-
Financial liabilities	JPY	0.01	0.72	(0.01)	0.01

The table below sets forth the breakdown of our income from sale of goods across geographic markets, as a percentage of our total revenue from operations as at the three months ended June 30, 2023 and the last three Financial Years ended March 31, 2023, 2022 and 2021:

Country	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%
	Three month ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
Japan	158.80	20.92	892.61	35.47	652.34	33.54	413.36	33.68
USA	274.67	36.18	579.09	23.01	466.74	24.00	312.75	25.48
India*	73.03	9.62	496.93	19.75	432.23	22.23	219.89	17.92
UAE	55.50	7.31	222.60	8.84	169.97	8.74	89.60	7.30
Germany	25.11	3.31	158.98	6.32	66.27	3.41	87.93	7.17
Switzerland	-	-	0.97	0.04	16.26	0.84	41.79	3.41
UK	22.90	3.02	11.85	0.47	35.56	1.83	35.34	2.88
Hungary	8.60	1.13	0.56	0.02	12.81	0.66	11.65	0.95
France	139.57	18.39	152.85	6.07	84.13	4.32	7.02	0.57
Italy	-	-	-	-	-	-	4.28	0.35

Country	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%
	Three month ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
Sweden	-	-	-	-	-	-	3.60	0.29
South Africa	-	-	-	-	4.17	0.21	-	-
Poland	-	-	-	-	4.19	0.22	-	-
Saudi Arabia	-	-	0.10	0.00	-	-	-	-
Singapore	0.92	0.12	0.21	0.01	-	-	-	-

* *Includes export incentives*

Further, as evidenced above, the majority of our total revenue is from contracts with customers with geographical location outside India which could adversely affect our business, results of operations, financial condition, cash flows and future prospects in case of risks that are specific to each country where our customers operate. Our customers, suppliers and we are subject to risks that are specific to each country in which we operate, as well as risks associated with carrying out business operations on an international scale, including the following, the occurrence of any of which may adversely affect our business, results of operations, financial condition, cash flows and future prospects:

- Import and export regulations that could among others erode profit margins or restrict imports or exports, changes in foreign exchange controls and tax rates, foreign currency exchange rate fluctuations, including devaluations (also see "- *Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies*" on page 53);
- Changes in regional and local economic conditions, including local inflationary pressures, economic cycle and demand for products in the international markets;
- Difficulty of enforcing agreements and collecting receivables through certain foreign systems;
- Variations in protection of intellectual property and other legal rights;
- Changes in laws and regulations, changes in labour conditions/ related regulations and difficulties in staffing and managing international operations;
- Unsettled political conditions and possible terrorist attacks against countries where we sell our products or have other interests; and
- Availability and terms of financing.

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

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

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

6. ***The markets in which our customers compete are characterized by sectors specific to the industries which we cater to, and their rapidly changing preferences and other related factors including lower manufacturing costs. Accordingly, we may be affected by any disruptions in the industry which can adversely impact our business, financial condition, results of operations, cash flows and prospects.***

The markets in which we and our customers operate is characterized by rapidly changing technology, evolving industry standards and demands for features, and continual product innovation. These conditions may also result in significant competition and short product life cycles. A negative impact on industries in which we or our customers operate in can impact our business.

Set out below is our revenue breakup as at the three months ended June 30, 2023 and the Financial Years ended March 31, 2023, 2022 and 2021:

Industry	Three months period ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue from purchase orders (₹ in million)	% of revenue from operations (%)	Revenue from purchase orders (₹ in million)	% of revenue from operations (%)	Revenue from purchase orders (₹ in million)	% of revenue from operation (%)	Revenue from purchase orders (₹ in million)	% of revenue from operations (%)
Aerospace and defence (I)	54.91	7.23	225.28	8.95	202.78	10.43	75.91	6.18
Energy, oil and gas and scrap (II)	700.23	92.25	2,287.77	90.90	1,729.08	88.91	1,132.04	92.25
Others* (III)	3.96	0.52	3.70	0.15	12.81	0.66	19.26	1.57
Total (I+II+III)	**759.10**	**100.00**	**2,516.75**	**100.00**	**1,944.67**	**100.00**	**1,227.21**	**100.00**

* *Others includes export incentives*

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

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

7. There may be problems with the products we manufacture that could result in liability claims against us, reduced demand for our products and damage to our reputation.

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

Whether or not we are responsible for the problems in the products we manufacture, be it real or alleged, or caused by faulty customer specifications, or in the manufacturing or design processes, servicing, or a component defect, may result in delayed shipments to our customers or, reduction or cancellation of customer orders. If any such problems were to occur in large numbers or too frequently, our business reputation may also be affected. These potential claims may include damages for the recall of a product or injury/bodily harm and other damages caused to person or property. We may also be required to repair the defective product or replace it with a new conforming product and the costs may also be required to be borne by us, or if they are borne by the customer, may be capped. The successful assertion of any claim could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

While we seek to secure contractual protection and/or to insure against many of these risks, we may not have practical recourse against certain suppliers, and contractual protections, insurance coverage or supplier warranties, as well as our other risk mitigation efforts, may be inadequate, costly, or unavailable. Further, while we have not faced such a situation in the past three Fiscals and the current Fiscal, we may incur costs defending claims in the future, and any such disputes could adversely affect our business relationships.

We cannot assure you that any product defects will not arise in the future, whether on our account or on account of defective components provided by a supplier. If such cases arise, our customers may cancel orders, refuse to renew contracts, make adverse claims against us which, if litigated, may be decided against us. Any future product defects or defaults may have a material adverse impact on our business, results of operations, financial condition, cash flows and future prospects.

8. ***We are highly dependent on our Promoter and our management team, senior management personnel and key managerial personnel and the loss of any key team member may adversely affect our business performance.***

Our Promoter, management team, senior management personnel and key managerial personnel have been instrumental in the growth and development of our Company. We benefit from our Promoter, and any decline in our relationship with him could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Under his leadership we have been able to expand our operations and have established a significant presence in India and globally.

We have entered into various transactions with our Promoter and Promoter Group. For example, our Promoter has entered into two share purchase agreements each dated September 16, 2023 to purchase 13,150 equity shares and 50,350 equity shares of our Erstwhile Subsidiaries i.e., Swastik Coaters Private Limited and Rouland Chemicals Private Limited, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities, respectively. Swastik Coaters Private Limited and Rouland Chemicals Private Limited hold the free hold title to the land situated at Plot Number 90/C in Survey Numbers 298/A and 299/2, all situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India and Plot Number 90/D in Survey Number 299/2, situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India on which one of our current manufacturing facilities are situated (collectively the "**Subject Land**"). Swastik Coaters Private Limited and Rouland Chemicals Private Limited have pursuant to lease deeds dated September 27, 2023, leased their respective portions of the Subject Land to our Company for a period of 10 years with effect from September 1, 2023 for a monthly lease rental of ₹0.12 million under each of the lease deeds, along with the applicable goods and services taxes applicable on such payment under both lease deeds with a 5% annual escalation. Further, our Company has paid ₹4.96 million each to Rouland Chemicals Private Limited and Swastik Coaters Private Limited, respectively, as security deposit under the lease deeds which is required to be refunded on termination or expiry of the lease deeds. Our Company has the right to terminate each of the aforesaid lease deeds at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana. For further details see, "*Our Management – Interests of Directors*", "*Our Management – Interest of Key Managerial Personnel and Senior Management Personnel*" and "*History and Other Corporate Matters – Other Agreements*" on page 207, 216 and 200, respectively. We cannot assure you that we will not be involved in similar related party transactions with our Promoter and Promoter Group in the future.

Further, our businesses are dependent upon an experienced senior management team and we believe that the experience and skill of our management team and our investors allows us to possess a significant advantage over our global competitors. If one or more members of our management team, senior management personnel and key managerial personnel were unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, results of operations, financial condition, cash flows and future prospects could be adversely affected.

To maintain and grow our business, we will need to identify, hire, develop, motivate, and retain highly skilled employees. Identifying, recruiting, training, integrating, and retaining qualified individuals requires significant time, expense, and attention. We may need to invest significant amounts of cash to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are not able to retain and motivate our current personnel or effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to achieve our strategic objectives, meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations. Further, we may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees which may have a material adverse effect on our business, results of operations and financial condition.

In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including any new hires that we recruit, fail to work together effectively and execute our plans and strategies on a timely basis, our business could suffer. Any loss of members of our management team or key managerial personnel or senior management could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and customer relationships.

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

We are dependent on third party suppliers, including overseas suppliers, for the import and supply of our primary raw materials, plant, machinery and components, including aluminium, stainless steel, specialised steel titanium, nimonic alloy, inconel and other super alloy grades. We rely on such suppliers to perform their conditions and deliver adequate supplies and high-quality raw materials, plant, machinery and components and other inputs in a timely manner. Our suppliers are associated with us through purchase orders, and we do not enter into definite-term agreements with them. Accordingly, our suppliers may not perform their obligations in a timely manner or at all, resulting in possible delays to our production schedule and adversely affecting our output, and may require us to transition our work to other companies. Our Company had placed an order on one of our suppliers in June 2016 for supply of 14 machines and four machines were delivered to our Company in February 2017. Subsequently, our Company found the machinery to be defective and requested the suppliers to repair the purchased machinery. The supplier declined the request for repair and thereafter, we had initiated arbitration proceedings against the supplier. The matter was subsequently settled with the supplier. For details, see "*Restated Financial Information – Annexure VII – Note 29 Contingent liabilities and commitments – Others*" on page 268. We cannot assure you that we will not have such disputes with our supplies in the future, which could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Further, our ability to identify and build relationships with reliable suppliers contributes to our growth as well as other aspects of our operations. There have been instances in the past where we experienced interruptions in the supply of raw materials, plant, machinery and components on account of macroeconomic issues such as the COVID-19 pandemic, and conflicts between countries. Further, there can be no assurance that increased demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials, plant, machinery and components. Further, there can be no assurance that the material supplied by our suppliers shall always conform to our quality system requirements including meeting the desired specifications and/or test requirements. Our purchase orders stipulate corrective actions for non-conforming materials delivered by our suppliers whereby such suppliers are required to correct the discrepancy in the materials delivered. Such corrective actions may result in delay of procurement of raw materials, plant, machinery and components which may affect our production schedule and the delivery timelines promised to our customers. Any change in the supply pattern of our raw materials, plant, machinery and components can adversely affect our business, results of operations, financial condition, cash flows and future prospects and can result in a customer cancelling our contracts. If we were to experience a significant or prolonged shortage of raw materials, plant, machinery and components from any of our suppliers and cannot procure the raw materials, plant, machinery and components from other sources, we may be unable to meet our production schedules for our products and ship such products to our customers in timely manner, which may adversely affect our customer relations and reputation. Further, certain of our customer contracts provide for the customer's right to claim penalties as a result of any delays caused by us. We may also be required to replace a supplier if its products do not meet our safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

Furthermore, as we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials, plant, machinery and components at competitive rates.

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

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

10. We are subject to strict compliance of quality requirements which results in incurring significant expenses to maintain our product quality. Any failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation which may adversely affect our business, results of operations, financial condition, cash flows and future prospects.

Given the nature of our business and products, our customers have high and exacting standards for product quality, as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to termination of our contracts or cancellation of the orders placed by our customers. Certain customer contracts specify that we will be subject to penalties if we provide defective products. These quality specifications and contractual requirements include, among others, setting up robust process controls as specified by our customers. Additionally, our customers typically have stringent, time-consuming selection, inspection and review procedures for their products. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities and logistical capabilities. As a result of being subject to a stringent quality control mechanism at each stage of the manufacturing process, we are required to incur expenses to maintain our quality assurance systems such as forming a separate team of engineers responsible for quality and assurance in the manufacturing facilities, machineries, and in the manufacturing processes.

We are also subject to ongoing audits with customers who have onboarded us and are required to adhere to stringent quality standards. There can be no assurance that our Company will meet the relevant quality requirements in respect of the products manufactured by us in the future. If any such event were to occur in future, it may have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Further, we have received a number of quality assurance certifications and accreditations which have certified that our design, development, manufacturing and supply of our products are in compliance with globally accepted manufacturing practices and quality standards. For details, see "*Our Business – Advanced manufacturing facilities manufacturing a diverse range of products and solutions with focus on innovation and cost competitiveness*" on page 173. If we are unable to renew these accreditations, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, results of operations, financial condition, cash flows and future prospects.

We will continue to spend a portion of our future revenues to manage our product quality, failure of which may negatively impact our business, results of operations, financial condition, cash flows and future prospects.

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

In the ordinary course of business, we extend credit to our customers typically up to 180 days as part of our standard payment terms. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. Set out below are the details of our Trade Receivables and Trade Receivables Turnover ratio as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

	June 30, 2023**	March 31, 2023	March 31, 2022	March 31, 2021
Trade Receivables (₹ in million)	1,221.25	1,186.63	746.31	525.75
Trade Receivables Turnover Ratio*	0.63	2.60	3.06	0.53

**Trade Receivables Turnover Ratio = Revenue from operations / Average trade receivables.*
***Trade Receivables Turnover Ratio for the three months period ended June 30, 2023 is not annualised.*

Further, in the three months period ended June 30, 2023 and the Financial Years ended March 31, 2023, 2022 and 2021, we have an allowance for credit loss of ₹16.25 million, ₹15.00 million, ₹10.25 million and ₹7.89 million. We have not written off any bad debts in Fiscals 2023, 2022 and 2021. Our results of operations and profitability depend on the credit worthiness of our customers. We cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. While there have been no instances of major delays or major defaults in payments by the Company's customers in the last three Fiscals, or in the current Fiscal until the date of this Draft Red Herring Prospectus, that have materially impacted the Company's business and operations, we cannot assure you that we will not face a situation in the future which would materially impact us. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

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

As of the date of this Draft Red Herring Prospectus, some of our manufacturing facilities and offices, including our Registered and Corporate Office, are held on a leasehold basis. For details see, "*Our Business – Properties*" on page 187. Our Promoter has entered into two share purchase agreements each dated September 16, 2023 to purchase 13,150 equity shares and 50,350 equity shares of our Erstwhile Subsidiaries i.e., Swastik Coaters Private Limited and Rouland Chemicals Private Limited, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities, respectively. Swastik Coaters Private Limited and Rouland Chemicals Private Limited hold the free hold title to the land situated at Plot Number 90/C in Survey Numbers 298/A and 299/2, all situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India and Plot Number

90/D in Survey Number 299/2, situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India on which one of our current manufacturing facilities are situated (collectively the "**Subject Land**"). Swastik Coaters Private Limited and Rouland Chemicals Private Limited have pursuant to lease deeds dated September 27, 2023, leased their respective portions of the Subject Land to our Company for a period of 10 years with effect from September 1, 2023 for a monthly lease rental of ₹0.12 million under each of the lease deeds, along with the applicable goods and services taxes applicable on such payment under both lease deeds with a 5% annual escalation. Further, our Company has paid ₹4.96 million each to Rouland Chemicals Private Limited and Swastik Coaters Private Limited, respectively, as security deposit under the lease deeds which is required to be refunded on termination or expiry of the lease deeds. Our Company has the right to terminate each of the aforesaid lease deeds at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana. For further details see, "*Our Management – Interests of Directors*" and "*History and Other Corporate Matters – Other Agreements*", "*Our Management – Interest of Key Managerial Personnel and Senior Management Personnel*" on page 207, 200 and 216, respectively. There can be no assurance that we will be able to renew our lease arrangements at commercially acceptable terms or at all. If we are unable to renew the relevant lease agreements, or if such agreements are renewed on unfavourable terms and conditions, we may be required to relocate operations and incur additional costs in such relocation. Further, if we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the lease rental rates. We cannot assure you that we may be able to do so in a timely manner. Certain of our agreements to sale for vacant properties include clauses requiring our Company to achieve certain operational milestones. Any of the foregoing factors may cause a disruption in our operations or result in increased costs, or both, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects. In the event we lose our rights on leased properties or are required to negotiate terms, our business, results of operations, financial conditions, cash flows, and future prospects could be adversely affected.

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

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

We intend to use the Net Proceeds of the Offer for the purposes described in the section titled "*Objects of the Offer*" on page 88. The objects of the Offer comprise funding capital expenditure of our Company; repayment/prepayment, in part or full, of certain of our borrowings; and general corporate purposes.

We aim to continue investing in our existing manufacturing facilities, including our manufacturing equipment and technologies to support the production of our portfolio of products. As part of such investment, we will incur expenditure towards the purchase of machinery. We are yet to place orders for the total capital expenditure. There can be no assurance that we will be able to place such orders, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. There can be no assurance that we will be able to complete such capital expenditure in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our business, results of operations, financial condition, cash flow and future prospects. For details, see "*Objects of the Offer*" on page 88.

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

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

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

As of June 30, 2023, our total outstanding borrowings (except for the PSCOF CCDs) amounted to ₹ 1,574.11 million (including bank guarantee amounting to ₹0.50 million). Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, without limitation, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Our financing arrangements include conditions that require us to obtain respective lenders' consent or waiver prior to carrying out certain activities and entering into certain transactions. We may also require consents our lenders under our financing agreements, in order to utilize the Net Proceeds towards the objects of the Offer, including in relation to the object on prepayment or repayment of certain outstanding borrowings availed by our Company, due to which we may also attract prepayment penalties. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Certain of the corporate actions that require prior consents from certain lenders of our Company include, amongst others, entering into any scheme of merger, amalgamation, reconstitution or undertake buyback, make any amendments in our Company's constitutional documents, engaging in any business or activities other than that our Company is engaged in, dispose any of our assets, and make any change in our Company's capital structure/ shareholding pattern or making any change in our Company's ownership/ control or management. Further, while we have not yet faced any instances of non-compliance of our financing agreements in the past, any failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time.

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

Some of our borrowings are secured, among others, through a first charge by equitable mortgage in favour of term loans on immovable properties and a first pari passu charge by way of pledge of the current assets. See "*Financial Indebtedness*" on page 289. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted except in the normal course of business. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings and take possession of and/or transfer the assets comprised within the security. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations, financial condition, cash flows and future prospects may be adversely affected.

Our Company has also allotted unlisted and secured compulsorily convertible debentures each having a face value of ₹1.00 million aggregating to an amount of ₹1,600.00 million (the "**PSCOF CCDs**") to PSCOF on a private placement basis pursuant to a debenture trust deed dated August 12, 2022, by and among, our Company, Rakesh Chopdar and Piramal Trustee Services Private Limited ("**DTD**"). The security interest under the DTD, pursuant to allotment of PSCOF CCDs, includes, (i) creation and perfection of a first ranking exclusive charge on all movable fixed assets of our Company pursuant to unattested deed of hypothecation dated August 12, 2022; (ii) creation and perfection of a second ranking exclusive charge on all movable fixed assets of our Company, both present and future; (iii) creation and perfection of second ranking charge on immovable properties of our Company (excluding the plot Tuniki Bollaram, Siddipet District and Mangampet Village); (iv) a pledge of 51% of the Equity Shares issued by our Company, present and future, pursuant to the unattested securities pledge agreement dated August 12, 2022 ("**Share Pledge Agreement**"); (v) a non-disposal undertaking in relation to the balance Equity Shares held by our Promoter, present and future, pursuant to non-disposal undertaking dated August 12, 2022 ("**NDU**"); and (vi) an unconditional irrevocable personal guarantee of our Promoter.

Pursuant to the Offer and the amendment agreement to the Piramal DTD, *inter alia*, 16,968,840 Equity Shares held by our Promoter have been released from the NDU and PSCOF has agreed to convert the PSCOF CCDs into a maximum of up to 6,476,310 Equity Shares prior to filing of the Red Herring Prospectus with the RoC. For further details "*History and Other Corporate Matters – Other Agreements*" on page 200.

Further, while there are certain restrictive covenants regarding the rights of the Shareholders in the DTD, for the purposes of the Offer, (a) Piramal Trusteeship Services Private Limited (on behalf of the PSCOF) has agreed to waive their right to nominate a director on the board of the Company under the DTD and the corresponding provisions of the Articles of Association of the Company, and (b) Piramal Trusteeship Services Private Limited (on behalf of the PSCOF) and our Promoter have agreed to waive their respective tag along and drag along rights under the DTD and the corresponding provisions of the Articles of Association of the Company. For further details "*History and Other Corporate Matters – Other Agreements*" on page 200.

A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all.

15. We have had negative cash flows in prior periods and may continue to have negative cash flows in the future.

We experienced the cash flows, both positive and negative, set forth in the table below for the specified periods:

	Three months ended June 30, 2023	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
				(₹ in million)
Net cash flow/(Used) from/in operating activities	(34.16)	(102.09)	209.39	47.73
Net cash flow/(Used) from/in investing activities	46.06	(1,011.51)	(1,141.99)	(347.06)
Net cash flow/(Used) from/in financing activities	147.10	1,263.41	959.11	236.16
Net increase/(decrease) in cash and cash equivalents	159.00	149.81	26.51	(63.17)

Such negative cash flows from operating activities for the three months period ended June 30, 2023 and the Fiscal ended Mach 31, 2023 were mainly attributable to depreciation expense, finance cost, working capital changes and income tax paid (net of refund). Negative cash flows from investing activities for Fiscals 2023 and 2022 were mainly attributable towards purchase of property, plant and equipment and investment in deposits.

Negative operating 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 cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources*" on page 310.

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

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

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

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

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

18. ***This Draft Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from EY LLP, appointed by our Company pursuant to an engagement letter dated July 18, 2023. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

This Draft Red Herring Prospectus includes industry-related information that is derived from the industry report titled "*Industry Overview for Azad Engineering*" dated September 27, 2023 ("**EY Report**"), prepared by EY LLP, appointed by our Company pursuant to an engagement letter dated July 18, 2023. We exclusively commissioned and paid for the EY Report for the purpose of confirming our understanding of the industries in which we operate in India only for the purpose of the Offer. EY LLP has advised that while it has taken reasonable care to ensure the accuracy and completeness of the EY Report, it believes that the EY Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters/ conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Further, EY LLP has confirmed that to the best of its knowledge no consent is required from any Government or other source from which any information is used in the EY Report.

The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that EY LLP's assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions. Given the scope and extent of the EY Report, disclosures are limited to certain excerpts and the EY Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed issue), that have been left out or changed in any manner. For the disclaimers associated with the EY Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation - Industry and Market Data*" on page 23.

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

We have experienced growth in the past three years. Our total income has grown at a CAGR of 44.63% from ₹1,250.30 million in Fiscal 2021 to ₹2,615.21 million in Fiscal 2023. Our operations have grown over the last few Fiscals. We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for our products, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

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

- making accurate assessments of the resources we will require;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- time and cost overruns;
- acquiring new customers and increasing or maintaining contribution from existing customers;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction;
- focus on our continued shift to being engaged for manufacturing solely by global OEM customers; and
- adhering to expected performance and quality standards.

If we are unable to increase our manufacturing capacity, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our products, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be in line with our past performance or growth strategy. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

20. Our proposed capacity expansion plans via our new manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.

We have made and intend to continue making investments to expand our manufacturing capacities to aid our growth efforts. We have two manufacturing facilities in the pipeline at (a) Tuniki Bollaram village in Siddipet district, Telangana and (b) Mangampet village, Sangareddy district, Telangana, with total manufacturing area of 94,898.78 square metres and 74,866.84 square metres, respectively. The construction and development of these proposed manufacturing facilities are intended to be funded from our internal accruals. Additionally, in relation to the land allotted to us at Mangampet village, Sangareddy district, Telangana, we have by way of our letter dated August 8, 2023 to the Zonal Manager, TSIIC Limited, Zonal Office, IP Pantacheru, Sanga Reddy requested for balance land allotment of five additional acres and a project extension of time for period of two years, without levying any penalties, from the date of allotment of the remaining five acres. As on the date of this Draft Red Herring Prospectus we are yet to be receive a response for the aforementioned request and we cannot assure you that our request will be granted in a timely manner or at all, which could result in an adverse effect on our business, prospects and results of operations.

Our new manufacturing facilities remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include inability to raise significant additional funds on reasonable terms or at all, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, failure of third-parties to adhere to our specifications, quality standards and/ or timelines, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have a material adverse impact on our business, results of operations, growth, prospects, cash flows, financial condition and future prospects. Moreover, there is a possibility that our asset turnover may be low in the future considering our new manufacturing facilities will be larger than our existing facilities, which could result in an adverse effect on our business, prospects and results of operations.

The new manufacturing facilities will require us to obtain various approvals, which are routine in nature including approvals such as consent to establish, consent for operations, fire-no objection certificate under applicable law in relation to the manufacturing facilities. There can be no assurance that we will be able to obtain these registrations, licenses and approvals including approvals in relations to power and water procurement in a timely manner or at all, which could result in an adverse effect on our business, prospects and results of operations..

21. While we have placed some purchase orders in relation to some of the capital expenditure and infrastructure expenses for our new manufacturing facilitiy at Tuniki Bollaram village in Siddipet district, Telangana, we are in the process of placing firm orders for the rest of the capital expenditure to be incurred at that facility and capital

expenditure to be incurred at the Mangampet village, Sangareddy district, Telangana. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.

We have placed some purchase orders in relation to some of the capital expenditure and infrastructure expenses to be incurred for our new manufacturing facilities at Tuniki Bollaram village in Siddipet district, Telangana and are in the process of placing firm orders for the rest of the capital expenditure to be incurred at that facility and capital expenditure to be incurred at the Mangampet village, Sangareddy district, Telangana. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns for the new manufacturing facilities. Further, if we are unable to procure the requisite raw materials from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the raw materials which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, thereby resulting in an adverse effect on our business, prospects and results of operations.

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

Certain of our corporate records in relation to (a) Form 2 and challan along with the list of allottees for allotment of equity shares dated August 1, 1986 and (b) Form 32 and challan filed in relation to the initial and subsequent appointments of Rakesh Chopdar are not traceable in the historical records maintained by our Company, or at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. Therefore, we may face challenges in establishing the nature of such allotment and nature of consideration, along with nature of appointment made by our Company. Accordingly, we have relied on the other corporate records maintained by the Company such as statutory registers, and the minutes of meetings of the Board (to the extent available) to ascertain the information sought from the missing corporate records. We have obtained a certificate dated September 29, 2023 from Prachi Bansal & Associates, practicing company secretary in relation to such untraceable corporate records pursuant to searches done by such practicing company secretary at the RoC. For further details of these transfers, the allotments made by our Company in the past, and the share capital history of our Company, see "*Capital Structure*" on page 76. We cannot assure you that such untraceable corporate records and documents will be available with us in future.

In addition, the following documents of our Directors are not traceable:

- Back-ups evidencing our Promoter Rakesh Chopdar's education and his initial and subsequent appointment to the Board; and
- Back-ups evidencing our Whole-time Director Jyoti Chopdar's change in name; and
- Back-ups evidencing our Independent Director, Michael Joseph Booth's educational qualifications and past work experience.

Accordingly, we have relied on affidavits furnished by them, to disclose the details of their educational qualifications, work experience, and name, as applicable, in this Draft Red Herring Prospectus. While we have made attempts to trace the missing documents, including writing to the relevant educational institutions for back-ups evidencing educational qualifications, there can be no assurances that they will be able to trace the relevant documents in the future.

For further details of these transfers, the allotments made by our Company in the past, and the share capital history of our Company, see "*Capital Structure*" on page 76. We cannot assure you that such untraceable corporate records and documents will be available with us in future.

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

Our business operations are subject to various risks and hazards, including failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance policies for our manufacturing facilities and operations and our personnel, including standard fire and special perils, burglary, group health and group personal accident insurance. For further information, see "*Our Business – Insurance*" on page 188. While we believe that the insurance coverage we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. For instance, in relation to the minor fire that broke out in one of our Company's manufacturing facilities in Hyderabad the insurance settlement approved by our insurance provider was less than the total damages claimed by us. For details of this incident, please see " – *We are highly dependent on our Hyderabad facilities for the entire portion of our revenue from operations. Any disruption, breakdown or shutdown of our Hyderabad facility may adversely affect our business, results of operations, financial condition, cash flows and future prospects.*" on page 29. 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.

The details of our total insurance coverage and our insurance coverage as a percentage of our total assets on a consolidated basis, as of June 30, 2023, has been set out below:

Particulars	As of June 30, 2023
Total insurance coverage (in ₹ million)	3,879.20
Total insured assets* (in ₹ million)	2,964.42
Total assets** (in ₹ million)	3,491.19
Total insurance coverage as a percentage of total insured assets (%)	130.86

**Includes factory buildings, plant and machinery, electrical fittings, furniture and fittings, computer and data processing, server and networks, office equipment and inventories but excludes land, vehicles and capital work in progress*
***Includes property, plant and equipment, capital work in progress and inventory*

To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, financial condition, cash flows and future prospects may be adversely affected. We have availed insurance in the past where the claim approved has been less than the claim made. We cannot assure that such instances will not materialise in the future. For further information, see "*Our Business – Insurance*" on page 188.

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

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

Disruptions of transportation services because of weather related problems, strikes, lockouts, inadequacy of road infrastructure, lack of containers or other events may affect our delivery schedules and impair our supply to our customers. To the extent that our losses are not covered by insurance, this may have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Delays (including delays in customs clearance) or non-delivery of our products may also have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Although we enter into formal contracts with or issue purchase orders to our third-party logistic service providers, we may be exposed to fluctuations in transportation and logistics costs. However, in the event that these logistic service providers are unable to continue to provide these necessary services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations, financial condition, cash flows, future prospects and reputation may be materially adversely affected.

25. There are outstanding legal proceedings involving our Company and adverse outcomes in such proceedings may negatively affect our business, results of operations, financial condition, cash flows and future prospects.

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

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

A summary of the nature and number of outstanding material litigation as on the date of this Draft Red Herring Prospectus, as decided by our Board and further detailed in "*Outstanding Litigation and Material Developments*" on page 315, involving our Company along with the amount involved, to the extent quantifiable, has been set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved (₹in million)*
Company						
By the Company	Nil	Nil	Nil	NA	Nil	Nil
Against the Company	Nil	66	1**	NA	Nil	250.33
Directors						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	Nil	Nil	1	NA	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	1	Nil	Nil	Nil

**To the extent ascertainable and quantifiable*

*** This action has also been taken against our officers in default as defined under Companies Act, 2013, which include our Company's Whole-time Directors and KMPs. For details see "Outstanding Litigation and Material Developments" beginning on page 315.*

There is no pending litigation involving our Group Companies which may have a material impact on our Company. We cannot assure you that we will not be subject to any legal proceedings or regulatory actions. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 315. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

26. If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.

We rely on our intellectual property for the success of our business which includes one domain name and applications made for two trademarks (word and device) i.e., our corporate logo " AZAD " and "*AZAD ENGINEERING*" (applications numbers 2354716 and 5810054). Our domain name may expire, and we cannot assure you that we will be able to renew it after expiry. Further, while applications have been made for the two trademarks they are yet to be registered and the device mark applied by us is objected as of the date of this Draft Red Herring Prospectus. The lack of such registration adversely affects our ability to protect such intellectual property. Our failure to register or protect our intellectual property rights may undermine our brand and hinder the growth of our business and adversely affect our competitive position and, in turn, our business, brand reputation, financial condition, cash flows, future prospects and results of operations. For further details, see "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on page 187 and 319, respectively. While we intend to defend against any threats to our intellectual property, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could expose us to substantial risks and costs. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, financial conditions, cash flows and future prospects.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. If such claims are raised against us in the future, they could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease use of certain of our brands, can result in significant damages being awarded and injunctions that could prevent us from offering our products. In addition, there is no assurance that steps taken by us to protect our intellectual property rights will be adequate to stop infringement by others, including imitation and misappropriation of our brand. Any of the foregoing could have an adverse effect on our business, results of operations, financial conditions, cash flows and future prospects.

27. ***The activities carried out at our manufacturing facilities, including any hazardous activity, can cause injury to people or property in certain circumstances.***

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

Our operations are subject to operating risks associated with manufacturing, including related to handling and storage of raw materials used in our manufacturing processes. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems
- inclement weather and natural disasters; and
- discharges or releases of hazardous substances, chemicals or gases.

The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. We may also face claims and litigation, in India or overseas, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our manufacturing facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

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

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As of June 30, 2023, our skilled workforce of 1,270 personnel. In addition, we have entered into arrangements with third party personnel companies for the supply of contract staff, and as on June 30, 2023, we engaged 248 contract workers/ temporary employees. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. While we have not faced any strikes by our employees until date, we cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future.

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

29. ***Non-compliance with and changes in, safety, health, factories, import export, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition, cash flows and future prospects.***

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

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that hazardous into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation and regulatory actions, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

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

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

Further, in the past, while we had not obtained initial factory licenses for our facilities located at plot numbers (i) D-42 and 43, and (ii) 63A, in Jeedimetla, Qutubullapur, Medchal-Malkajgiri, Hyderabad, Telangana, we have subsequently applied and obtained the factory licenses from the concerned regulatory authorities for these facilities. For details of applicable regulations relating to our business and operations, see "*Key Regulations and Policies*" on page 189. Further, see "*Government and Other Approvals*" on page 319 for (a) details of applications made for certain regulatory approvals that we have applied for but not yet received as on the date of this Draft Red Herring Prospectus, and (b) details of approvals which are material but we are yet to apply as on the date of this Draft Red Herring Prospectus.

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

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

Cyber threats are evolving and are becoming increasingly sophisticated. Our Company may experience cyber threats from time to time, which pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. All information technology systems remain potentially vulnerable to damage or interruption from a variety of sources, including but not limited to software and hardware failure, cyber-attacks, computer viruses and security breaches. There have been no instances of the loss / leakage of confidential information from our Company's IT systems or due to cyber-attacks on our Company. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber-attacks or security breaches of our networks or systems in the future, could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, other litigation, regulatory and legal risks and the costs associated therewith, reputational damage, reimbursement or other compensatory costs, remediation costs, increased cybersecurity protection costs, additional compliance costs, increased insurance premiums, and lost revenues, damage to the Company's competitiveness, share price, and long-term shareholder value, any of which could materially adversely affect our business, results of operations, financial condition, cash flows and future prospects.

We also maintain and have access to sensitive, confidential, personal data or information, including technical data of our customers who issue technical drawings and specifications of the product to us in the ordinary course of our business which is subject to privacy and security laws and regulations. Despite our efforts to protect such sensitive, confidential, personal data or information including technical data of our customers, our manufacturing facilities and systems and those of our customers and third-party service providers may be vulnerable to security breaches, theft, fraud, misplaced or lost data, programming and/or human errors that could lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, manufacturing downtimes and operational disruptions, which in turn could adversely affect our business, results of operations, financial condition, cash flows and future prospects. Further, our legacy data is in the process of moving from an existing system to a new enterprise resource planning database. We cannot assure you that such data migration will be seamless and that there would be no loss of our legacy data which could adversely affect our business, results of operations, financial condition, cash flows and future prospects.

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

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties including for payment of remuneration to our KMPs, rental expenses in relation to our Erstwhile Subsidiaries, sales and purchases with certain Erstwhile Subsidiaries, loans and advances to certain Erstwhile Subsidiaries. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. For details, see "*Summary of the Offer Document – Summary of Related Party Transactions*", "*Our Management – Interests of Directors*", "*Our Promoter and Promoter Group – Interest in property, land, construction of building or supply of machinery*" and "*History and Other Corporate Matters – Other Agreements*" on page 17, 207, 218 and 200, respectively.

While we will conduct all related party transactions post listing of the Equity Shares subject to the Board's or Audit Committee's or Shareholders' approval, as applicable, and in compliance with the provisions of Companies Act, 2013, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest, which may be detrimental to our Company and may have an adverse impact on our Company, and which our Company will endeavour to duly address as and when they may arise. However, we cannot assure you that any such future transactions, individually or in the aggregate, may not involve potential conflicts of interest which will not have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

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

Our employees possess extensive knowledge about our commercial decisions and business development strategies. Such knowledge is a significant independent asset, which may not be adequately protected by employment agreements with our employees. As a result, we cannot be certain that such knowledge will remain confidential in the long run.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential knowledge of our business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or wilfully. A significant number of our employees have access to confidential design and production information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our competitor. Although we may seek to enforce confidentiality obligation in terms of our staff rules, we cannot guarantee that we will be able to successfully enforce such rules. While no such instances have occurred in the last three Financial Years or in the current Fiscal until the date of this Draft Red Herring Prospectus, in the event that the confidential technical information in respect of our business becomes available to third parties or to the general public, any competitive advantage that we may have over other companies could be harmed. If our competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult and/ or expensive for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

Our Company has taken various steps to protect the technical confidential information of our Company and of our customers, which include restricting access to our computer systems.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. Consequently, while no confidential technical information of our Company has been leaked in the last three Fiscals, or in the current Fiscal until the date of this Draft Red Herring Prospectus, any leakage of confidential technical information in the future could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

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

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

In response to the COVID-19 pandemic, the Government of India imposed a nationwide 21 day lockdown on March 24, 2020 from March 25, 2020 until April 14, 2020, which was subsequently extended until May 31, 2020. Further, from March 2021, there has been a substantial increase in the number of COVID-19 cases in India, which led to additional lockdowns and movement restrictions in different places in India. As a result of the detection of new strains, evolving variants such as the 'omicron variant' and subsequent waves of COVID-19 infections throughout the world, we may be subject to further lockdowns or other restrictions in the subsequent years, which may adversely affect our business operations.

As a consequence of these lockdowns, our supply chain was disrupted, some parts of our workforce were unable to attend work at our manufacturing facilities, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. Individuals' ability to travel both within and outside of India have been curtailed through mandated travel restrictions and may be further limited in the future. These measures have impacted and may have a further impact on our workforce and our operations in the jurisdictions in which we operate, the business of our customers and suppliers.

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

While our customers have not defaulted in payments, we have encountered delays in payments from our customers. Our Trade Receivables increased by 59.00% from ₹ 746.31 million in Fiscal 2022 to ₹1,186.63 million in Fiscal 2023 As on the date of this Draft Red Herring Prospectus, while the COVID-19 pandemic is no longer materially affecting our business and operations, any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations, financial condition, cash flows and future prospects.

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

Our Company has received "CARE BBB+; Stable for long term bank facilities" credit rating from CARE Ratings Limited pursuant to its rating rationale dated April 19, 2023. Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, results of operations, financial condition, cash flows and future prospects.

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

Our Company requires working capital to finance our inventory, direct costs and indirect costs before payment is received from customers. As on June 30, 2023, our total outstanding indebtedness in respect of our working capital facilities was ₹ 828.60 million. In addition, set out below are the certain details pertaining to our working capital requirements, including our debt service coverage ratio, current ratio, interest coverage ratio and net working capital for the three months period ended June 30, 2023 and Fiscals 2023, 2022 and 2021:

Particulars	Three months period ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Debt service coverage ratio(1)	1.86	1.35*	1.51	1.63
Current ratio(2)	1.78	1.91	1.13	1.12
Interest coverage ratio(3)	2.12	1.06	3.60	3.60
Net working capital(4) (₹ in million)	1,275.53	1,354.21	197.97	134.60
Total borrowings(6) (₹ in million)	3,254.36	3,006.01	1,971.80	877.13
Total current assets (₹ in million)	2,921.25	2,836.29	1,676.73	1,259.80
Total current liabilities (₹ in million)	1,645.72	1,482.08	1,478.76	1,125.20
Finance costs (₹ in million)	101.25	523.82	136.16	53.54

Notes:

(1) *Debt service coverage ratio = (Net profit after taxes + Depreciation expenses + Finance Cost) / (Interest & Lease Payments + Principal Repayments).*
(2) *Current ratio = (Current Assets) / Current Liabilities).*
(3) *Interest coverage ratio = (Earnings before interest and taxes excluding other income) / Finance cost.*
(4) *Net working capital = (Current assets – Current Liabilities).*
(5) *Debt service coverage ratio for the three months' period ended June 30, 2023 is not annualised.*
(6) *Total borrowings include current and non-current borrowings.*

* *Does not include the DMI OCD redemption which was funded through PSCOF CCDs*

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

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

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

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of equity shares	Cumulative number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholders
October 17, 2022	Preferential Allotment	Cash	95,138	1,651,826	10	6,023	Allotment of 10,703 equity shares to Venkata Subbaraju Penmetsa, 9,514 equity shares to Rajyalakshmi Penmetsa, 28,541 equity shares to Vivek Mundra, 19,028 equity shares to Nageshwar Reddy Duvvur, 9,514 equity shares to Bindiya Mahapatra, 5,946 equity shares to Venkata Krishnam Raju Alluri, 2,378 equity shares to Vijay Kumar Raju Alluri, 4,757 equity shares to Pilot Consultants Private Limited and 4,757 equity shares to Plutus Capital

The price at which such Equity Shares were issued may not be indicative of the Offer Price, or the price at which the Equity Shares will be traded going forward. Further, any issuances of Equity Shares by our Company, including through the grant of stock options, may dilute your shareholding in our Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities. For further details, see "*Capital Structure – Notes to the Capital Structure - Share Capital History of our Company - Equity Share capital*" on page 76.

37. ***We depend on our brand recognition. Negative publicity, failure to maintain and enhance awareness of our brand or any damage to our reputation could have a material adverse effect on our business.***

Our reputation is a key asset of our business. As part of our business operations, we provide a wide range of products and our ability to attract and retain clients and repeat customers is highly dependent on the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters or others could erode trust and confidence and damage our reputation among existing and potential clients, which could make it difficult for us to attract new clients and maintain existing ones as mentioned above. If we fail to maintain this brand recognition with our existing and target customers due to any issues with our product offerings, a deterioration in product quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our products are provided declines, market perception and customer acceptance of our brands may also decline. Also, see " – *If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.*" on page 42.

While there have been no such instances in the past three years, which have adversely impacted our brand or reputation, any adverse change in the quality of our products, including due to reasons beyond our control, or adverse publicity and media coverage, even when false, could tarnish the image of our brand, result in negative reviews and feedback from our customers.

38. ***We have contingent liabilities in our balance sheet, as stated in our Restated Financial Information, as on June 30, 2023. The realization of our contingent liabilities may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.***

The following are the contingent liabilities on a consolidated basis in our balance sheet, as restated, as at June 30, 2023:

As of June 30, 2023, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets were as follows:

Particulars	**As at June 30, 2023**
	(₹ in million)
(a) Contingent Liabilities	
Direct Tax	6.82
Customs Duty	86.24
Bank guarantees	0.50
(b) Capital Commitments	
Unexecuted capital orders to the extent not provided for	600.54

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, it could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. If any of these actually occur in the future, they may adversely impact our profitability and may have a material adverse effect on our business, financial condition and our results of operations.\

39. ***We had unspent CSR amounts in Fiscal 2021 which were utilised in Fiscal 2023. We cannot assure you that we will utilise CSR amounts in the future in a timely manner which could result in penalties.***

We had unspent CSR amounts of ₹3.05 million in Fiscal 2021 as we were unable to find relevant projects to utilise such amounts. However, such unspent CSR amounts were utilised in Fiscal 2023 and no penalty was levied for such late utilisation. We cannot assure you that we will utilise CSR amounts in the future in a timely manner which could result in penalties under Section 135 of the Companies Act which may have an adverse impact on our business, results of operations, financial condition, cash flows and future prospects. Further, this has been disclosed as audit qualifications/ emphasis matter which do not require any adjustments in the Restated Financial Information for the year ended March 31, 2021 and our Statutory Auditors have not modified opinion in respect of this matter. For details, see "*Restated Financial Information – Annexure VI – Statement of Adjustments to Restated Consolidated Financial Information*" on page 248.

40. ***Our Statutory Auditors have indicated certain matters in their report on the audited financial statements of our Company for Financial Years 2023, 2022 and 2021 in accordance with the Companies (Auditor's Report) Order, 2003 ("CARO").***

In their report on the audited financial statements of our Company for Financial Years 2023, 2022 and 2021, our Statutory Auditors, have indicated certain matters in accordance with the CARO. For details, see "*Restated Financial Information – Annexure VI – Statement of Adjustments to Restated Consolidated Financial Information*" on page 248.

For details of the corrective steps taken and proposed to be taken by our Company, see section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" on page 292 of this Draft Red Herring Prospectus. We cannot assure you that we shall be able to adequately address the matters set out by the Statutory Auditors under the CARO or that such and additional matters under CARO will not be indicated in our financial statements in the future. Our inability to adequately address these matters, could have an adverse impact on our business, results of operations, financial condition, cash flows and future prospects.

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

We engage independent contractors through whom we engage contract workers for performance of certain functions at our manufacturing unit and at our offices. While we have not faced any breach of agreements executed with such independent contractors in the last three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus, there is no assurance that such breach will not occur in the future. Further, while we have not encountered such instance in the past, we cannot assure that we will be able to renew the engagement with our independent contractors at commercially viable terms or at all. As of June 30, 2023, we engaged a total of 248 contract workers/ temporary employees. Although we do not engage these contract workers directly, we are responsible for any wage payments to be made to such laborers in the event of default by their respective independent contractors. Any requirement to fund such defaulted wage requirements may have an adverse impact on our business, results of operations, financial condition, cash flows and future prospects.

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

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

42. Our ability to pay dividends in the future will depend on a number of factors, including but not limited to our earnings, financial condition, profit after tax available for distribution, cash flow, cash balance, debt-raising capacity, working capital requirements, liquidity and return ratios and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, profit after tax available for distribution, cash flow, cash balance, debt-raising capacity, working capital requirements, liquidity and return ratios and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the Companies Act, 2013. We have adopted a dividend distribution policy pursuant to a resolution of the Board dated September 13, 2023, which lays down the principles for distribution of dividend by our Company to our Shareholders and sets out *inter alia* the financial parameters and/or internal and external factors to be considered by our Company before declaring or recommending dividend to Shareholders and the circumstances under which Shareholders may or may not expect dividend. For more information, see "*Dividend Policy*" on page 223. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that the Equity Shares will appreciate in value.

43. A portion of the Net Proceeds may be utilized for repayment or pre-payment of a loan availed by our Company from ICICI Bank Limited, which is an affiliate of ICICI Securities Limited, one of the BRLMs.

We propose to repay or pre-pay a loan availed by our Company from ICICI Bank Limited from the Net Proceeds. ICICI Bank Limited is an affiliate of ICICI Securities Limited, one of our Book Running Lead Managers and is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. The loan sanctioned to our Company by ICICI Bank Limited was done as part of their lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. The Board of Directors of our Company has chosen the loans and facilities to be repaid/prepaid based on commercial considerations. For details see "*Objects of the Offer*" on page 88. However, there can be no assurance that the repayment/ prepayment of such loans from the Net Proceeds to an affiliate of one of the Book Running Lead Managers will not be perceived as a current or potential conflict of interest.

44. Some of our Directors, our Promoter, Senior Management and Key Managerial Personnel have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.

Some of our Directors, our Promoter, Senior Management and Key Managerial Personnel are interested in our Company in addition to regular remuneration or benefits and reimbursement of expenses from our Company, and such interests are to the extent of their shareholding and shareholding of their relatives in our Company, payment of dividend or distributions thereon. For the payments that are made by our Company to related parties including remuneration to our Directors, see "*Summary of this Draft Red Herring Prospectus – Summary of Related Party Transactions*" on page 18.

Our Promoter has entered into two share purchase agreements each dated September 16, 2023 to purchase 13,150 equity shares and 50,350 equity shares of our Erstwhile Subsidiaries i.e., Swastik Coaters Private Limited and Rouland Chemicals Private Limited, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities, respectively. Swastik Coaters Private Limited and Rouland Chemicals Private Limited hold the free hold title to the land situated at Plot Number 90/C in Survey Numbers 298/A and 299/2, all situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India and Plot Number 90/D in Survey Number 299/2, situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India on which one of our current manufacturing facilities are situated (collectively the "**Subject Land**"). Swastik Coaters Private Limited and Rouland Chemicals Private Limited have pursuant to lease deeds dated September 27, 2023, leased their respective portions of the Subject Land to our Company for a period of 10 years with effect from September 1, 2023 for a monthly lease rental of ₹0.12 million under each of the lease deeds, along with the applicable goods and services taxes applicable on such payment under both lease deeds with a 5% annual escalation. Further, our Company has paid ₹4.96 million each to Rouland Chemicals Private Limited and Swastik Coaters Private Limited, respectively, as security deposit under the lease deeds which is required to be refunded on termination or expiry of the lease deeds. Our Company has the right to terminate each of the aforesaid lease deeds at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana.

Further, our Promoter has entered into a sale deed agreement dated September 27, 2023 with our Company to purchase land located at Plot No 66, in Survey No. 735(P), admeasuring 843.52 square meters situated at Phase – II, Kukatpally village and mandal, Medchal - Malkajgiri District, Hyderabad, Telangana ("**Medchal - Malkajgiri Land**"). The Medchal - Malkajgiri Land is free from all encumbrances, charges, claims, mortgages, and litigations. Our Promoter has paid a consideration amount of ₹42.02 million to our Company for the Medchal - Malkajgiri Land.

For further details see, " – *We are highly dependent on our Promoter and our management team, senior management personnel and key managerial personnel and the loss of any key team member may adversely affect our business performance.*", "*Our Management – Interests of Directors*", "*Our Management – Interest of Key Managerial Personnel and Senior Management Personnel*" and "*History and Other Corporate Matters – Other Agreements*" on page 207, 216 and 200, respectively.

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

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

Further, our Promoter and Directors have, as on the date of this Draft Red Herring Prospectus, not undertaken any business in conflict with our Company. However, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

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

Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance Gross Profit, Gross Margin, EBITDA, Adjusted EBITDA, EBITDA Growth, EBITDA Margin, Profit Margin, Adjusted PAT, Return on Capital Employed and Adjusted ROCE ("**Non-GAAP Measures**") have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. These Non-GAAP Measures should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible.

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

For more information on the non-GAAP financial measures used in this Draft Red Herring Prospectus, see "*Definitions and Abbreviations*", "*Basis for Offer Price*", "*Our Business*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 2, 98, 160, 285 and 292, respectively.

EXTERNAL RISK FACTORS

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

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

Also see " – *COVID-19 has had, and could continue to have, an adverse effect on our business, results of operations, financial condition, cash flows and future prospects*" on page 47

48. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.

Our management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by it while taking into account the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls to ensure the orderly and efficient conduct of our business, including adherence to our policies, the safeguarding of our assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. While we have taken measures to strengthen our internal control system and have conducted audits to review gaps and process weaknesses and implemented the suggested measures, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls.

Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

49. Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies.

We derive a significant portion of our revenues from outside India, which is denominated and transacted in foreign currencies and subjects us to foreign exchange risk. For details of our total revenue from contracts with customers with geographical location outside India.

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

The impact of future exchange rate fluctuations among different currencies on our results of operations and financial condition cannot be accurately predicted, and our attempts to mitigate the adverse effects of exchange rate fluctuations may not be successful. Such exchange rate fluctuations may in the future have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. In addition, the policies of the Reserve Bank of India may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, cash flows and results of operations. We have not entered into formal hedging arrangements, To the extent we are unable to match revenues received in foreign currencies with costs incurred in the same currency, or there are sharp exchange rate fluctuations between such currencies, it could have a material adverse effect on our liquidity or our ability to efficiently utilize our working capital.

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

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

Further, the GoI has announced the union budget for Financial Year 2024, pursuant to which the Finance Bill, 2023, introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

In India, the Supreme Court, in a judgment delivered on August 24, 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Digital Personal Data Protection Bill, 2023, which was introduced in Lok Sabha on August 3, 2023, by the Minister of Electronics & Information Technology has been passed by the Parliament i.e., by Lok Sabha on August 7, 2023, and unanimously by Rajya Sabha on August 9, 2023; and has further received Presidential assent on August 11, 2023. The enactment of the aforesaid act may introduce stricter data protection norms for a company such as us and may impact our processes. Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law or practices could be inconsistent with or fail or be alleged to fail to meet all requirements of, such laws, regulations, or contractual obligations.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. Any future amendments may affect our benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future and may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would adversely affect our profitability.

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

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

The Summary of Restated Financial Information for the three months period ended June 30, 2023, and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this Draft Red Herring Prospectus is derived from audited financial statements as of and for the three months period ended June 30, 2023, and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as US GAAP and IFRS. If the Summary of Restated Financial Information were to be prepared in accordance with such other accounting principles, our business, results of operations, financial condition and cash flows may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Summary of Restated Financial Information and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Ind AS on the financial information presented in the Draft Red Herring Prospectus should accordingly be limited.

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

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Adverse economic developments, such as rising Fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

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

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and Fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- fluctuations in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee, which may adversely affect our financial condition;
- instability in other countries and adverse changes in geopolitical situations;
- banning of exports of products being manufactured by us;
- change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;
- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries;
- a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- hostilities between Russia and the Ukraine;
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future

outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region;

- downgrading of India's sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

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

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

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

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

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

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an AAEC on competition in India. The Competition Act also includes provisions in relation to combinations which require any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). While certain agreements entered into by us could be within the purview of the Competition Act, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, financial condition, cash flows and future prospects.

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

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

55. Terrorist attacks, civil disturbances and regional conflicts involving India may have an adverse effect on our

business, results of operations, financial condition, cash flows and the price of the Equity Shares.

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

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

In February 2022, hostilities between Russia and the Ukraine commenced which continue as on date. The market price of oil has risen sharply since the commencement of these hostilities which may have had an inflationary effect in India. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

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

Our Company's business and future financial performance may be adversely affected by a potential downgrade of India's sovereign debt rating from the current level of BBB-. Any adverse revisions to India's sovereign debt ratings by international rating agencies may adversely affect our ratings and thereby the terms on which we are able to borrow on. This could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third-party suppliers and contract manufacturers, rents, wages, and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, and wages. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

Our Company is incorporated under the laws of India, all of our assets are located in India and of most our Directors,and Key Managerial Personnel and Senior Management Personnel (apart from our Independent Director, Michael Joseph Booth and our Head – Program Management, Matthew Childs is the Head – Program Management) are residents of India. As a result, it may be difficult to enforce the service of process upon our Company and any of these persons outside of India or to enforce outside of India, judgments obtained against our Company and these persons in courts outside of India.

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

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

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

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

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

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

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

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 364. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, results of operations, financial condition and cash flows.

61. Our customers 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 OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we may be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares may incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

62. 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, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers through the Book Building Process.

The Offer Price will be based on numerous factors, including the factors described in "*Basis for Offer Price*" on page 98 and may not be indicative of the market price for the Equity Shares after the Offer. Further, the BRLMs have previously handled issues wherein the market price of the issued shares declined below the offer/issue price of shares within 30 days of their listing and in certain cases continued to trade at a price lower than their offer/issue price on the 180^{th} day from listing. For details of the price information of the past issues handled by the BRLMs, see "*Other Regulatory and Statutory Disclosures*" on page 321.

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

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

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

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

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

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

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

Further, the GoI has announced the union budget for Financial Year 2024, pursuant to which the Finance Bill, 2023, introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. There is no certainty on the impact of Finance Act, 2023 on tax laws or other regulations, which may adversely affect our business, results of operations, financial condition and cash flows or on the industries in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

64. ***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 may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us, including to comply with minimum public shareholding norms applicable to listed companies in India or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares (in accordance with applicable law including procuring regulatory approvals, as required) by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares (in accordance with applicable law including procuring regulatory approvals, as required) in the future.

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

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

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

66. ***Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalization etc. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

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

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

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete 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 Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, financial condition or cash flows may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

69. 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 in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer^ (1)(2)	Up to [●] Equity Shares aggregating up to ₹7,400.00 million
of which	
Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹2,400.00 million
Offer for Sale(2)	Up to [●]^ Equity Shares aggregating up to ₹5,000.00 million
The Offer consists of:	
Employee Reservation Portion(3)	Up to [●] Equity Shares, aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares, aggregating up to ₹[●] million
The Net offer comprises of:	
A) QIB Portion(4)(5)	Not more than [●] Equity Shares, aggregating up to ₹[●] million
of which:	
Anchor Investor Portion(4)	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(5)	[●] Equity Shares
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(4)	Not less than [●] Equity Shares, aggregating up to ₹[●] million
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹0.20 million to ₹1.00 million	[●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares
C) Retail Portion(4)	Not less than [●] Equity Shares, aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer prior to the conversion of the PSCOF CCDs	49,554,780 Equity Shares
Equity Shares outstanding prior to the Offer post conversion of the PSCOF CCDs^	56,031,090 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Proceeds	For details on the use of the Net Proceeds, arising from the Fresh Issue see "*Objects of the Offer*" beginning on page 88. Our Company will not receive any portion of the proceeds from the Offer for Sale.

^ *Assuming full conversion of 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(1) *The Offer (including the Fresh Issue) has been authorized by our Board of Directors pursuant to the resolutions passed at their meeting dated September 14, 2023 and our Shareholders pursuant to the resolution passed at their meeting held on September 15, 2023. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules. 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards the sale of the Offered Shares being offered by the Selling Shareholders and only thereafter, towards the balance Fresh Issue. For avoidance of doubt, the balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares are Allotted in the Offer.*

(2) *The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale as set out below and our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed in its meeting held on September 29, 2023:*

Selling Shareholders	Number of Equity Shares offered/ Amount in ₹	Date of corporate authorisation/board resolution	Date of consent letter
Rakesh Chopdar	Up to [●] Equity Shares aggregating up to ₹1,700.00 million	N.A.	September 29, 2023
Piramal Structured Credit Opportunities Fund	Up to [●] Equity Shares aggregating up to ₹2,800.00 million^	September 12, 2023	September 29, 2023
DMI Finance Private Limited	Up to [●] Equity Shares aggregating up to ₹500.00 million	September 25, 2023	September 29, 2023

^*Includes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(3) *In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹0.50 million, net of Employee Discount), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" beginning on page 343. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder may, in consultation with the BRLMs, offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced two Working Days prior to the Bid/Offer Opening Date.*

(4) *Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*

(5) *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 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. For details, see "Offer Procedure" beginning on page* 347

Allocation to Bidders in all categories except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable.

The allocation to each of the RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each of the NIIs shall not be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" beginning on pages 337, 343 and 347.

SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the three months period ended June 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021.

The Restated Financial Information referred to above are presented under "Financial Information" beginning on page 224. The summary of financial information presented below should be read in conjunction with the "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 224 and 292, respectively.

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SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS				
Non-current assets				
Property, plant and equipment	2,148.34	2,166.54	1,444.01	1,210.77
Capital work-in-progress	392.73	379.86	236.56	-
Financial assets				
Other financial assets	34.71	33.72	31.15	34.36
Other non-current assets	636.42	475.67	654.76	55.52
Total non-current assets	**3,212.20**	**3,055.79**	**2,366.48**	**1,300.65**
Current assets				
Inventories	950.12	860.63	573.75	342.88
Financial assets				
Trade receivables	1,221.25	1,186.63	746.31	525.75
Cash and cash equivalents	353.06	194.06	44.25	17.74
Bank balances other than cash and cash equivalents	87.75	333.27	132.48	154.11
Other financial assets	0.77	0.91	-	12.34
Other current assets	308.30	260.79	179.94	206.98
Total current assets	**2,921.25**	**2,836.29**	**1,676.73**	**1,259.80**
Total assets	**6,133.45**	**5,892.08**	**4,043.21**	**2,560.45**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16.52	16.52	15.13	15.13
Other equity	2,097.77	2,023.36	1,184.94	893.79
Total equity	**2,114.29**	**2,039.88**	**1,200.07**	**908.92**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	2,190.21	2,208.61	1,225.53	414.60
Provisions	26.80	25.64	22.52	14.08
Deferred tax liabilities (net)	156.43	135.87	116.33	97.65
Total non-current liabilities	**2,373.44**	**2,370.12**	**1,364.38**	**526.33**
Current liabilities				
Financial liabilities				
Borrowings	1,064.15	797.40	746.27	462.53
Trade payables				
total outstanding dues of micro enterprises and small enterprises	20.52	25.34	32.50	26.22
total outstanding dues of creditors other than micro enterprises and small enterprises	339.49	450.01	392.95	346.83
Other financial liabilities	119.63	123.36	158.10	75.79
Provisions	26.51	22.40	10.81	6.51
Other current liabilities	31.90	38.64	53.95	168.25
Current tax liabilities (net)	43.52	24.93	84.18	39.07
Total current liabilities	**1,645.72**	**1,482.08**	**1,478.76**	**1,125.20**
Total liabilities	**4,019.16**	**3,852.20**	**2,843.14**	**1,651.53**
Total equity and liabilities	**6,133.45**	**5,892.08**	**4,043.21**	**2,560.45**

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million, except per share data)

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income				
Revenue from operations	759.10	2,516.75	1,944.67	1,227.21
Other income	1.47	98.46	47.96	23.09
Total Income	**760.57**	**2,615.21**	**1,992.63**	**1,250.30**
Expenses				
Cost of materials consumed	117.17	495.22	376.10	222.21
Changes in inventories of finished goods, work-in-progress	(39.35)	(193.71)	(168.48)	(84.12)
Employee benefits expense	154.76	592.69	462.71	325.96
Finance costs	101.25	523.82	136.16	53.54
Depreciation expense	47.70	165.83	133.14	88.73
Other expenses	264.37	899.77	651.66	481.62
Total expenses	**645.90**	**2,483.62**	**1,591.29**	**1,087.94**
Profit before tax for the period / year	**114.67**	**131.59**	**401.34**	**162.36**
Tax expenses:				
Current tax	20.22	25.74	86.68	41.49
Tax pertaining to earlier years	-	2.42	-	-
Deferred tax	20.41	18.70	20.09	5.87
Total tax expense	**40.63**	**46.86**	**106.77**	**47.36**
Profit for the period/year	**74.04**	**84.73**	**294.57**	**115.00**
Other comprehensive income/(loss)				
A) Items that will not be reclassified to profit and loss				
Re-measurement gains/(losses) on defined benefit plans	0.52	2.90	(4.83)	(0.57)
Income tax relating to these items	(0.15)	(0.84)	1.41	0.17
Other comprehensive income/(loss)	**0.37**	**2.06**	**(3.42)**	**(0.40)**
Total comprehensive income	**74.41**	**86.79**	**291.15**	**114.60**
Earnings per Equity Share (face value of ₹2 each)				
Basic	1.49	1.79	6.49	2.53
Diluted	1.49	1.79	6.49	2.53

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) **CASH FLOWS FROM OPERATING ACTIVITIES:**				
Profit before tax	**114.67**	**131.59**	**401.34**	**162.36**
Adjustments for:				
Depreciation expenses	47.70	165.83	133.14	88.73
Finance costs	101.25	523.82	136.16	53.54
Loss on discard / sale of fixed assets	-	31.79	-	-
Unrealised foreign exchange (gain)/ loss	6.42	(27.15)	15.04	(11.56)
Liabilities no longer required written back	-	-	(24.44)	-
Allowance for bad and doubtful debts	1.25	4.75	2.37	7.89
Interest income	(1.04)	(26.73)	(7.75)	(10.89)
Operating profit before working capital charges	**270.25**	**803.90**	**655.86**	**290.07**
Changes in working capital				
(Increase)/decrease in trade receivables	(42.29)	(417.92)	(237.97)	(111.64)
(Increase)/decrease in inventories	(89.49)	(308.27)	(230.87)	(177.53)
(Increase)/decrease in other financial assets	(3.47)	(17.08)	(14.46)	(80.99)
(Increase)/decrease in Other Current assets	(47.51)	(80.85)	27.04	15.91
Increase /(decrease) in trade payables	(115.34)	49.90	76.84	73.47
Increase /(decrease) in other financial liabilities	(3.73)	(34.74)	82.31	75.79
Increase /(decrease) in provision	4.16	14.67	12.72	(65.30)
Increase /(decrease) in other liabilities	(6.74)	(15.31)	(114.30)	102.37
Cash generated from operations	**(34.16)**	**(5.70)**	**257.17**	**122.15**
Income taxes paid, (net of refund)	-	(96.39)	(47.78)	(74.42)
Net cash Inflow/ (Used) from/ in operating activities (A)	**(34.16)**	**(102.09)**	**209.39**	**47.73**
(B) **CASH FLOWS FROM INVESTING ACTIVITIES**				
Purchase of Property, Plant and Equipment including capital advances	(200.50)	(856.22)	(1,171.47)	(203.84)
Proceeds from sale of Property, Plant and Equipment	-	18.77	-	-
Sale of Investments	-	-	0.10	-
Deposits placed having original maturity of more than 3 months, net	245.52	(200.79)	21.63	(154.11)
Interest received	1.04	26.73	7.75	10.89
Net cash Inflow/ (Used) from/ in investing activities (B)	**46.06**	**(1,011.51)**	**(1,141.99)**	**(347.06)**
(C) **CASH FLOW FROM FINANCING ACTIVITIES**				
Proceeds from issue of equity shares	-	573.46	-	-
Proceeds from long term borrowings	-	177.45	447.29	247.39
Proceeds from issuance of optionally & Compulsory convertible debentures	-	1,600.00	600.00	-
Repayment of long term borrowings	(18.40)	(614.81)	(236.36)	(104.69)
Proceeds from short term borrowings (net)	266.75	51.13	283.74	147.00
Interest paid	(101.25)	(523.82)	(135.56)	(53.54)
Net cash Inflow/ (Used) from/ in financing activities (C)	**147.10**	**1,263.41**	**959.11**	**236.16**
(D) **Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**159.00**	**149.81**	**26.51**	**(63.17)**
Add : Cash and cash equivalents as at the beginning of the period/ year	**194.06**	**44.25**	**17.74**	**80.91**
Cash and cash equivalents as at the end of the period/ year	**353.06**	**194.06**	**44.25**	**17.74**

Note:

a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

b) Cash and cash equivalents:

(₹ in million)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash on hand	15.69	15.41	8.51	4.76
Balance with banks				
- in current accounts	222.25	106.38	35.74	12.98
- in EEFC Accounts	9.38	0.01	-	-
Term deposits (with original maturity of 3 months or less)	105.74	72.26	-	-
Cash and cash equivalents in Statement of Cash Flows	353.06	194.06	44.25	17.74

GENERAL INFORMATION

Registered and Corporate Office

Azad Engineering Limited
90/C, 90/D, Phase-1
I.D.A. Jeedimetla
Hyderabad 500 055
Telangana, India

For details in relation to the changes in the registered office of our Company, see "*History and Certain Corporate Matters – Changes in our Registered and Corporate Office*" on page 195.

Corporate Identity Number: U74210TG1983PLC004132

Registration Number: 004132

Address of the RoC

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

Registrar of Companies
2nd Floor, Corporate Bhawan
GSI Post, Tattiannaram
Corporate Bhawan Road
Bandlaguda, Nagole
Hyderabad 500 068
Telangana, India

Board of Directors of our Company

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

Name	Designation	DIN	Address
Rakesh Chopdar	Chairman and CEO	01795599	5A/800, Benecia, Lodha Bellezza, Phase 4, Kukatpally, Tirumalagiri, Hyderabad 500 072, Telangana, India
Jyoti Chopdar	Whole-Time Director	03132157	5A/800, Benecia, Lodha Bellezza, Phase 4, Kukatpally, Tirumalagiri, Hyderabad 500 072, Telangana, India
Vishnu Pramodkumar Malpani	Whole-Time Director	10307319	Plot No. 54A Meghdood Housing Society near Adarsh School Bharat Nagar Shahapur Belgaum 590 003, Karnataka, India
Michael Joseph Booth	Independent Director	10309295	29 Kilwinning Road, Stevenston, KA20 3AT, Scotland
Subba Rao Ambati	Independent Director	01722940	7-1-644/26 F No.-202 Glk Emerald, Nr Community Hal Sunder Nagar, S.R. Nagar, Hyderabad 500 038, Telangana, India
Madhusree Vemuru	Independent Director	10304579	16-11-405, SBI Officers Colony, Moosarambagh, Hyderabad 500036, Telangana, India

For brief profiles and further details of our Board of Directors, see "*Our Management*" beginning on page 203.

Company Secretary and Compliance Officer

Ful Kumar Gautam is our Company Secretary and Compliance Officer. His contact details are as follows:

Ful Kumar Gautam
90/C, 90/D, Phase-1
I.D.A. Jeedimetla
Hyderabad 500 055
Telangana, India
Tel: +91 40 2309 7007
E-mail ID: cs@azad.in

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: azad.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance ID: complaints@axiscap.in
Contact person: Pratik Pednekar
SEBI registration number: INM000012029

SBI Capital Markets Limited
1501, 15th Floor, A & B Wing
Parinee Crescenzo, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4006 9807
E-mail: azad.ipo@sbicaps.com
Website: www.sbicaps.com
Investor grievance ID: Investor.Relations@sbicaps.com
Contact person: Vaibhav Shah
SEBI registration number: INM000003531

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: azad.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor grievance ID: customercare@icicisecurities.com
Contact person: Ashik Joisar / Harsh Thakkar
SEBI registration number: INM000011179

Anand Rathi Advisors Limited
11th Floor, Times Tower
Kamla Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 4047 7120
E-mail: ael.ipo@rathi.com
Website: www.anandrathiib.com
Investor grievance ID: grievance.ecm@rathi.com
Contact person: Pari Vaya/ Arpan Tandon
SEBI registration number: INM000010478

Legal Counsel to the Issuer

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower
19, Brunton Road, Off. M.G.Road
Bengaluru – 560 025
Karnataka, India
Tel: +91 80 67922000

Registrar to the Offer

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

Statutory Auditor of our Company

M S K A & Associates
1101 B, Manjeera Trinity Corporate
11th Floor
JNTU Hitech City Road, Kukatpally
Hyderabad 500 072
Telangana, India
Tel: +91 040 4852 4966
E-mail: ananthakrishnangovindan@mska.in
Peer review number: 013267
Firm registration number: 105047W

There has been no change in the statutory auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus, except as disclosed below:

Particulars	Date of change	Reasons for change
M S K A & Associates 1101 B, Manjeera Trinity Corporate 11th Floor JNTU Hitech City Road, Kukatpally Hyderabad 500 072 Telangana, India **Tel**: +91 040 4852 4966 **E-mail**: ananthakrishnangovindan@mska.in **Peer review number**: 013267 **Firm registration number**: 105047W	December 29, 2022	Appointment as Statutory Auditor of our Company.
M S K A & Associates 1101 B, Manjeera Trinity Corporate 11th Floor JNTU Hitech City Road, Kukatpally Hyderabad 500 072 Telangana, India **Tel**: +91 040 4852 4966 **E-mail**: ananthakrishnangovindan@mska.in **Peer review number**: 013267 **Firm registration number**: 105047W **Laxminiwas & Co., Chartered Accountants** 6-3 569, 4th Floor, Opp. RTA Office Above BMW Showroom, Khairatabad Hyderabad 500 082 Telangana, India **Tel:** +91 040 2324 0700 **E-mail**: daya@lncofirm.in **Peer review number**: 013118 **Firm registration number**: 011168S	December 29, 2022	Expiry of term as joint auditors of our Company.
M S K A & Associates 1101 B, Manjeera Trinity Corporate 11th Floor JNTU Hitech City Road, Kukatpally Hyderabad 500 072 Telangana, India **Tel**: +91 040 4852 4966 **E-mail**: ananthakrishnangovindan@mska.in **Peer review number**: 013267 **Firm registration number**: 105047W **Laxminiwas & Co., Chartered Accountants** 6-3 569, 4th Floor, Opp. RTA Office Above BMW Showroom, Khairatabad Hyderabad 500 082 Telangana, India Telangana, India **Tel:** +91 040 2324 0700 **E-mail**: daya@lncofirm.in **Peer review number**: 013118 **Firm registration number**: 011168S	November 17, 2022*	Appointment as joint auditors of our Company.
Laxminiwas & Co., Chartered Accountants 6-3 569, 4th Floor, Opp. RTA Office Above BMW Showroom, Khairatabad Hyderabad 500 082 Telangana, India **Tel:** +91 040 2324 0700 **E-mail**: daya@lncofirm.in **Peer review number**: 013118 **Firm registration number**: 011168S	April 1, 2022	Appointment to fill casual vacancy.
O M N & Associates, Chartered Accountants 3-5-363 to 368, 102, 1st Floor Laxmi Arcade, Vittalwadi X Road Narayanguda Hyderabad 500 029 Telangana, India **Tel:** +91 98492 95160	March 15, 2022	Resignation due to pre-occupation in another assignment.

Particulars	Date of change	Reasons for change
Email: opbangco@yahoo.co.in **Peer review number:** Not peer reviewed **Firm registration number:** 000383S		

**M S K A & Associates and Laxminiwas & Co., Chartered Accountants were appointed as joint auditors to hold office till the next annual general meeting of our Company dated December 29, 2022.*

Bankers to the Offer

Escrow Collection Bank(s), Refund Bank(s) and Public Offer Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

ICICI Bank Limited
ICICI Towers
Service Centre Nanakram Guda
Financial District Gachibowli
Hyderabad 500 032
Telangana, India
Tel: +91 40 4108 1294
E-mail ID: vijaya.manthena@icicibank.com
Website: www.icicibank.com
Contact Person: Vijaya Manthena

IndusInd Bank Limited
IndusInd Bank Limited
#1-10-72, 3rd Floor
Ashoka Janardhana Chambers
Begumpet, Hyderabad 500 016
Telangana, India
Tel: +91 40 4091 6213
E-mail ID: vijetakumar.pandey@indusind.com
Website: www.indusind.com
Contact Person: Vijeta Kumar

Union Bank of India
1st Floor, Plot No. 729
Road No. 36, Madhapur Road
Jubilee Hills, Hyderabad 500 033
Telangana, India
Tel: +91 040 2988 0911
E-mail ID: ubin0577901@unionbankofindia.bank
Website: www.unionbankofindia.co.in
Contact Person: Ravi Marem

Syndicate Members

[●]

Filing of this Draft Red Herring Prospectus

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

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra I
Mumbai 400 051, Maharashtra, India

Our Company is registered with the RoC. The Red Herring Prospectus and Prospectus will be filed with RoC at its address, Registrar of Companies 2nd Floor, Corporate Bhawan, GSI Post, Tattiannaram, Corporate Bhawan Road, Bandlaguda, Nagole, Hyderabad 500 068, Telangana, India, in accordance with Section 32 read with Section 26 of the Companies Act, along with the material contracts and documents referred to in the Red Herring Prospectus and the Prospectus with the RoC through electronic portal at: http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Designated Intermediaries

Self-Certified Syndicate Banks

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

Self-Certified Syndicate Banks and mobile applications enabled for Unified Payments Interface Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated April 5, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, read with other applicable UPI Circulars, UPI Bidders bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose names appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided in the list available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively, and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Registered Brokers

Bidders (other than RIBs) can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/static/markets/Derivatives/DeriReports/membership.aspx and https://enit.nseindia.com/MemDirWeb/searchBrokers_Beta?step=searchBrokersList, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received a written consent dated September 29, 2023, from our Statutory Auditor, namely, M S K A & Associates, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, 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 Auditor, and in respect of their (a) their examination report dated September 22, 2023 on the Restated Financial Information, and (b) report dated September 29, 2023, on the statement of special tax benefits available to the Company and our Shareholders. Such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 29, 2023, from P. Kanaka Rao, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act 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 Engineer, in relation to the certificate dated September 29, 2023, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this DRHP.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

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

Sr. No	Activity	Responsibility	Co-ordinator(s)
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers 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.	BRLMs	Axis
2.	Drafting and approval of all statutory advertisement	BRLMs	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in point 2 above including corporate advertising, brochure, etc. and filing of media compliance report with SEBI.	BRLMs	Anand Rathi
4.	Appointment of Registrar to the Offer, Advertising Agency and Printer and including co-ordination for their agreements.	BRLMs	Axis
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	BRLMs	SBICAPS
6.	Preparation of road show presentation and FAQs	BRLMs	ICICI Securities
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	BRLMs	ICICI Securities
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	BRLMs	Axis
9.	Conduct retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising commission structure • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	BRLMs	SBICAPS
10.	Conduct Non-institutional marketing of the Offer, which will cover, *inter alia:* • Finalising media, marketing and public relations strategy including list of frequently asked questions at non-institutional road shows; and • Finalising centres for holding conferences for brokers, etc.	BRLMs	Anand Rathi
11.	Anchor coordination, Anchor CAN and intimation of anchor allocation, book building software, bidding terminals, payment of 1% security deposit to the designated stock exchange.	BRLMs	Anand Rathi
12.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholders, as applicable.	BRLMs	ICICI Securities

Sr. No	Activity	Responsibility	Co-ordinator(s)
13.	Post bidding activities including mock trading, management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds/unblocking of application monies and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax/with-holding tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI	BRLMs	SBICAPS

IPO Grading

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

Monitoring Agency

Our Company will appoint a credit rating agency registered with SEBI as the monitoring agency to monitor utilization of the Net Proceeds, in compliance with Regulation 41 of the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 88.

Appraising Entity

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

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid Cum Application Forms and the Revision Forms, if any, within the Price Band and the minimum Bid Lot, which will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, all editions of the Telugu daily newspaper, [●], (Telugu being the regional language of Telangana, where our Registered and Corporate 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, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 347.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the UPI Bidders shall 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 terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIBs, Eligible Employees Bidding in the Employee Reservation Portion and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer. For further details on method and process of Bidding, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 337, 343, and 347, respectively.

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

Bidders should note that, the Offer is also subject to (i) filing of the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Underwriting Agreement

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 Selling Shareholders will 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 specified therein.

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

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

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

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

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/ IPO Committee, at its meeting held on [●], has approved the acceptance 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 purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with 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	**AUTHORISED SHARE CAPITAL**[(1)]		
	75,000,000 Equity Shares (having face value of ₹2 each)	150,000,000	-
	Total	150,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AS ON THE DATE OF THIS DRHP (BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF PSCOF CCDS)**		
	49,554,780 Equity Shares (having face value of ₹2 each)	99,109,560	-
	Total	99,109,560	-
	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER POST THE CONVERSION OF PSCOF CCDS[(2)]		
	56,031,090 Equity Shares (having face value of ₹2 each)	112,062,180	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**[(2)(3)]		
	Offer of up to [●] Equity Shares (having face value of ₹2 each) aggregating up to ₹[●] million[(2)(3)(4)]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares (having face value of ₹2 each) aggregating up to ₹2,400.00 million[(3)(6)]	[●]	[●]
	Offer for Sale of up to [●] Equity Shares (having face value of ₹2 each) aggregating up to ₹5,000.00 million[(2)(4)]	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares (having face value of ₹2 each) aggregating up to ₹[●] million [(5)]	[●]	[●]
	Net Offer of up to [●] Equity Shares (having face value of ₹2 each) aggregating up to ₹[●] million	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (having face value of ₹2 each)	[●]	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (₹ in million) (as on date of the Draft Red Herring Prospectus)	754.60	
	After the Offer (₹ in million)	[●]	

* *To be included upon finalisation of the Offer Price and subject to finalisation of Basis of Allotment.*

(1) *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 195.*

(2) *Assuming full conversion of 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(3) *The Fresh Issue has been authorised by a resolution of our Board at their meeting held on September 14, 2023, and a special resolution passed by our Shareholders at their meeting held on September 15, 2023.*

(4) *Each of the Selling Shareholders have severally and not jointly, specifically confirmed and authorised their respective participation in the Offer for Sale pursuant to their respective consent letters. Each of the Selling Shareholders confirms that the Equity Shares being offered by each of the Selling Shareholders have been held by such Selling Shareholder for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI or are otherwise eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 321.*

(5) *Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). Our Company, Promoter Selling Shareholder and Investor Selling Shareholder in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.*

(6) *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may consider the Pre-IPO Placement aggregating up ₹480.00 million. If the Pre-IPO Placement is undertaken, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●] % of the post-Offer paid-up Equity Share capital of our Company*

Notes to the Capital Structure

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

The history of the equity share capital of our Company is set forth below:

Date of allotment of equity shares	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Names of allottees/ shareholders	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
August 22, 1983	Initial subscription to the Memorandum of Association	Cash	150	100	100	Allotment of 100 equity shares to Bajranglal Chopdar and 50 equity shares to K.P. Joy.	150	15,000
August 1, 1986	Further issuance	Cash	870	100	100	Allotment of 580 equity shares to Bajranglal Chopdar, 160 equity shares to Shakuntala Chopdar, 80 equity shares to Om Prakash Sharma and 50 equity shares to Sadhna Walia.	1,020	102,000
March 30, 2009	Further issuance	Cash	300	100	10,000	Allotment of 100 equity shares to Sunil Kumar Walia and 200 equity shares to Konark Commerce & Industries Limited.	1,320	132,000
August 31, 2012	Further issuance	Cash	150,000	100	100	Allotment of 150,000 equity shares to Rakesh Chopdar.	151,320	15,132,000
February 19, 2019	Pursuant to a resolution passed by our Shareholders on February 19, 2019, our Company sub-divided the face value of its equity shares from ₹100 each to ₹10 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 151,320 equity shares of ₹100 each to 1,513,200 equity shares of ₹10 each.							
October 13, 2022	Pursuant to conversion of DMI CCDs in the ratio of 24.16 equity shares for every 1 DMI CCD held.	N.A.	43,488	10	4,139.07*	Allotment of 42,932 equity shares to DMI Finance Private Limited, 242 equity shares to Anshuman Madam Malur, 242 equity shares to Shakendra Bhandari and 72 equity shares to Yatharth Ratadiya	1,556,688	15,566,880
October 17, 2022	Preferential allotment	Cash	95,138	10	6,023	Allotment of 10,703 equity shares to Venkata Subbaraju Penmetsa, 9,514 equity shares to Rajyalakshmi Penmetsa, 28,541 equity shares to Vivek Mundra, 19,028 equity shares to Nageshwar Reddy Duvvur, 9,514 equity shares to Bindiya Mahapatra, 5,946 equity shares to Venkata Krishnam Raju Alluri, 2,378 equity shares to Vijay Kumar Raju Alluri, 4,757 equity shares to Pilot Consultants Private Limited and 4,757 equity shares to Plutus Capital	1,651,826	16,518,260
September 12, 2023	Pursuant to a resolution passed by our Board and Shareholders on September 11, 2023 and September 12, 2023, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹2 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 1,651,826 equity shares of ₹10 each to 8,259,130 Equity Shares of ₹2 each.							
September 18, 2023	Bonus issuance in the ratio 5 bonus Equity Shares for every one Equity Share**	N.A.	41,295,650	2	-	Allotment of 41,295,650 Equity Shares of face value ₹2 each as bonus equity shares to eligible shareholders of our Company whose names appear in the register of members/beneficiary's holding position statement as on the record date; i.e., September 1, 2023	49,554,780	99,109,560

** Cash was paid at the time of allotment of the DMI CCDs.*

***The bonus issuance was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on September 11, 2023 and September 12, 2023, respectively and was undertaken by capitalizing an amount of ₹82,591,300 million out of the free reserves as on June 30, 2023. The bonus issuance was not undertaken out of the revaluation reserves or unrealized profit of the Company.*

2. **Preference share capital history of our Company**

Our Company does not have any outstanding Preference Shares as on the date of the filing of this Draft Red Herring Prospectus. Set out below is the history of our preference share capital:

Date of allotment of Preference shares	Nature of allotment	Nature of consideration	Number of Preference shares	Face value per Preference share (in ₹)	Issue price per Preference share (in ₹)	Cumulative Number of Preference Shares	Cumulative Paid-Up Preference Share Capital
March 31, 2014	Preferential issue(1)	Cash	300,000	100	100	300,000	30,000,000
March 31, 2015	Preferential issue(2)	Cash	90,000	100	100	390,000	39,000,000
July 1, 2021	Redemption of 390,000 Preference Shares of face value of ₹100.						

(1) *Allotment of 100,000 preference shares to Shreesay Realtors Private Limited, 50,000 preference shares to A & A Capital Services Private Limited and 150,000 preference shares to Jahangirbad Finance Company Private Limited*

(2) *Allotment of 35,000 preference shares to Golden Beach Infracon Private Limited and 55,000 preference shares to Sigtia Constructions Private Limited*

3. **Compulsorily Convertible Debentures**

Our Company has 1,600 outstanding PSCOF CCDs as on the date of the filing of this Draft Red Herring Prospectus. The history of the compulsory convertible debentures of our Company is set forth below:

Date of allotment of compulsorily convertible debentures	Number of compulsorily convertible debentures allotted	Face value per compulsorily convertible debenture (in ₹)	Issue price per compulsorily convertible debenture (in₹)	Nature of transaction	List of Allottees	Nature of consideration
DMI CCDs						
July 5, 2021	1,080	100,000	100,000	Private Placement	Allotment of 1,080 DMI CCDs to DMI Finance Private Limited.	Cash
October 19, 2021	720	100,000	100,000	Private Placement	Allotment of 720 DMI CCDs to DMI Finance Private Limited.	Cash
October 13, 2022	(1,800)	100,000	100,000	Conversion of DMI CCDs to 43,488 equity shares(2)	N.A.	N.A.(1)
PSCOF CCDs(3)						
August 13, 2022	1,600	1,000,000	1,000,000	Private Placement	Allotment of 1,600 PSCOF CCDs to Piramal Structured Credit Opportunities Fund	Cash

(1) *Cash was paid at the time of allotment of DMI CCDs on July 5, 2021 and October 19, 2021, respectively.*

(2) *10 DMI CCDs were transferred to Anshuman Madam Malur, 10 DMI CCDs were transferred to Shakendra Bhandari and 3 DMI CCDs were transferred to Yatharth Ratadiya on February 16, 2022 prior to the conversion of DMI CCDs.*

(3) *1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

4. **Optionally Convertible Debentures**

Our Company does not have any outstanding optionally convertible debentures as on the date of this Draft Red Herring Prospectus. The history of the optionally convertible debentures of our Company is set forth below:

Date of allotment of OCD	Number of OCDs allotted	Face value per OCDs (in ₹)	Issue price per OCD (in ₹)	Nature of transaction	List of Allottees	Nature of consideration
July 5, 2021	2,520	100,000	100,000	Private Placement	Allotment of 2,520 OCDs to DMI Finance Private Limited.	Cash
October 19, 2021	1,680	100,000	100,000	Private Placement	Allotment of 1,680 OCDs to DMI Finance Private Limited.	Cash
October 7, 2022	(4,200)	100,000	100,000	Redemption	N.A.	N.A.

5. **Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Our Company has not issued Equity Shares or Preference Shares out of revaluation reserves since its incorporation. Further, except as disclosed below, our Company has not issued Equity Shares or Preference Shares through bonus issue or out of revaluation reserves or for consideration other than cash.

Date of allotment*	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Reason for allotment	Benefits accrued to our Company
September 18, 2023	41,295,650	2	N.A.	Bonus issuance in the ratio 5 bonus Equity Shares for every one Equity Share	-

* *For details on name of allottees, see "– Notes to the Capital Structure – Equity share capital history of our Company" on page* 76 .

6. **Issue of shares under Section 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act**

Our Company has not allotted any securities in terms of any scheme of arrangement approved under Sections 230 to 234 of the Companies Act or Sections 391 to 394 of the Companies Act, 1956.

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

Our Company does not have an employee stock option scheme.

8. **Issue of Equity Shares at a price lower than the offer price in the preceding one year**

Except as disclosed in "- *Notes to the Capital Structure*" above, our Company has not issued any equity shares at a price which is lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

9. **Shareholding Pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)[(1)]	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 e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	8	42,867,570	-	-	42,867,570	86.51	42,867,570	-	42,867,570	86.51	-	76.51		-	25,272,960 [(2)]	51.00	42,867,570
(B)	**Public**	56	6,687,210	-	-	6,687,210	13.49	6,687,210	-	6,687,210	13.49	6,476,310 [(1)]	23.49		-		-	6,687,210
(C)	**Non-Promoter Non-Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**64**	**49,554,780**	**-**	**-**	**49,554,780**	**100.00**	**-**	**-**	**-**	**100.00**	**6,476,310**[(1)]	**100.00**		**-**	**25,272,960** **[(2)]**	**51.00**	**49,554,780**

(1) *Assuming full conversion of 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

(2) *Pursuant to the Piramal DTD, Piramal Trusteeship Services Private Limited (the debenture trustee to the PSCOF CCDs) shall release 25,272,960 Equity Shares which are subject to the unattested shares pledge agreement dated August 12, 2022, prior to the filing of the updated draft red herring prospectus with SEBI. For further details, see "History and Certain Corporate Matters - Other Agreements" on page 200.*

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

a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares held on a fully diluted basis*	Percentage of the Equity Share capital on a fully diluted basis (%)*
1.	Rakesh Chopdar	42,241,800	75.39
2.	Piramal Structured Credit Opportunities Fund	6,476,310*	11.56
3.	Vivek Mundra	1,051,920	1.88
4.	Nageshwar Reddy	701,310	1.25
5.	DMI Finance Private Limited	652,350	1.16
	Total	**51,123,690**	**91.24**

* *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78. Piramal Structured Credit Opportunities Fund does not hold any Equity Shares as on the date of this Draft Red Herring Prospectus.*

b) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company on a fully diluted basis, as on 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer	
		Number of equity shares held on a fully diluted basis*	Percentage of the equity share capital on a fully diluted basis (%)*
1.	Rakesh Chopdar	43,981,050	78.49
2.	Piramal Structured Credit Opportunities Fund	6,476,310*	11.56
3.	Vivek Mundra	1,051,920	1.88
4.	Nageshwar Reddy	701,310	1.25
5.	DMI Finance Private Limited	652,350	1.16
	Total	**52,862,940**	**94.34**

* *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78. Piramal Structured Credit Opportunities Fund did not hold any equity shares 10 days prior to the date of this Draft Red Herring Prospectus.*

c) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, as on one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer	
		Number of equity shares having face value of ₹10 each held on a fully diluted basis*	Percentage of the equity share capital on a fully diluted basis (%)*
1.	Rakesh Chopdar	1,506,800	96.80
2.	DMI Finance Private Limited	42,932	2.76
	Total	**1,549,732**	**99.55**

* *Assuming full conversion of 1,777 DMI CCDs held by DMI Finance Private Limited to a maximum of up to 42,932 equity shares. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

d) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, as on two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer	
		Number of equity shares having face value of ₹10 each held on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1.	Rakesh Chopdar	1,506,800	99.58
	Total	**1,506,800**	**99.58**

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

As on the date of this Draft Red Herring Prospectus, our Promoter, i.e., Rakesh Chopdar in aggregate holds 42,241,800 Equity Shares, representing 75.39% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis. The details regarding our Promoter's shareholding are set forth below.

a) Build-up of our Promoter's equity shareholding in our Company

The build-up of the equity shareholding of our Promoter since incorporation of our Company is set forth below.

Date of allotment / transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)^**	Percentage of fully diluted post-Offer capital (%)**
Rakesh Chopdar							
August 31, 2012	Further issue	150,000	Cash	100	100	13.39	[●]
October 4, 2018	Transfer from Bajranglal Chopdar	680	Cash	100	100	0.06	[●]
February 19, 2019	Pursuant to a resolution passed by our Shareholders on February 19, 2019, our Company sub-divided the face value of its equity shares from ₹100 each to ₹10 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 151,320 equity shares of ₹100 each to 1,513,200 equity shares of ₹10 each.						
March 6, 2023	Transfer to Sachin Ramesh Tendulkar	(14,607)	Cash	10	3,423	(0.13)	[●]
March 6, 2023	Transfer to Venkata Subbaraju Penmetsa	(6,721)	Cash	10	6,845	(0.06)	[●]
March 6, 2023	Transfer to Rajyalakshmi Penmatsa	(5,844)	Cash	10	6,845	(0.05)	[●]
March 6, 2023	Transfer to Dheeraj Reddy Endela	(439)	Cash	10	6,845	(0.00)	[●]
March 11, 2023	Transfer to Nikhat Zareen	(1,460)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to Pranavi Chandra Velagapudi	(1,460)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to Venkatsai Laxman Vangipurapu	(1,460)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to Saina Nehwal	(1,460)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to Asian Institute of Gastro Enterology Private Limited	(1,461)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to Chamundeswara Nath Vankina	(2,922)	Cash	10	6,845	(0.03)	[●]
March 11, 2023	Transfer to Venkat Rao Guduru	(731)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to Anitha Mudireddy	(439)	Cash	10	6,845	(0.00)	[●]
March 11, 2023	Transfer to Anupa V. Sajjanar	(585)	Cash	10	6,845	(0.01)	[●]
March 11, 2023	Transfer to N. Srinivas Rao	(585)	Cash	10	6,845	(0.01)	[●]
March 21, 2023	Transfer to Milind Chama	(731)	Cash	10	6,845	(0.01)	[●]
March 24, 2023	Transfer to PV Sindhu	(1,460)	Cash	10	6,845	(0.01)	[●]
May 26, 2023	Transmission from Shakuntala Chopdar	1,600	N.A.	10	N.A.	0.01	[●]
September 12, 2023	Pursuant to a resolution passed by our Board and Shareholders on September 11, 2023 and September 12, 2023, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹2 each.						

Date of allotment / transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)^**	Percentage of fully diluted post-Offer capital (%)**
	Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 1,651,826 equity shares of ₹10 each to 8,259,130 Equity Shares of ₹2 each. (1)						
September 18, 2023	Bonus issuance in the ratio 5 bonus Equity Shares for every one Equity Share**	36,650,875	N.A.	2	N.A.	65.41	[●]
September 28, 2023	Transfer to Ashok Gentyala by way of a gift	(297,300)	N.A.	2	N.A.	(0.53)	[●]
September 28, 2023	Transfer to Balaji PR by way of a gift	(173,430)	N.A.	2	N.A.	(0.31)	[●]
September 28, 2023	Transfer to Vishnu Pramodkumar Malpani by way of a gift	(173,430)	N.A.	2	N.A.	(0.31)	[●]
September 28, 2023	Transfer to Ronak Jajoo by way of a gift	(148,650)	N.A.	2	N.A.	(0.27)	[●]
September 28, 2023	Transfer to Dinesh J Shetty by way of a gift	(148,650)	N.A.	2	N.A.	(0.27)	[●]
September 28, 2023	Transfer to Atin Agarwal by way of a gift	(148,650)	N.A.	2	N.A.	(0.27)	[●]
September 28, 2023	Transfer to Silpa Kanaka Bellamkonda by way of a gift	(123,870)	N.A.	2	N.A.	(0.22)	[●]
September 28, 2023	Transfer to Ranjan Gupta by way of a gift	(8,700)	N.A.	2	N.A.	(0.02)	[●]
September 28, 2023	Transfer to Manish Aggarwal by way of a gift	(34,800)	N.A.	2	N.A.	(0.06)	[●]
September 28, 2023	Transfer to Babita Shripalsingh Sulhyan by way of a gift	(12,000)	N.A.	2	N.A.	(0.02)	[●]
September 28, 2023	Transfer to Deepak Chopdar by way of a gift	(11,820)	N.A.	2	N.A.	(0.02)	[●]
September 28, 2023	Transfer to Ella Walia by way of a gift	(6,000)	N.A.	2	N.A.	(0.01)	[●]
September 28, 2023	Transfer to Amit Walia by way of a gift	(6,000)	N.A.	2	N.A.	(0.01)	[●]
September 28, 2023	Transfer to Kartik Chopdar by way of a gift	(297,300)	N.A.	2	N.A.	(0.53)	[●]
September 28, 2023	Transfer to Satwik Chopdar by way of a gift	(148,650)	N.A.	2	N.A.	(0.27)	[●]
Total		**42,241,800**				**75.39**	**[●]**

^ *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

** *Adjusted for split, as applicable.*

(1) *For further details, see "– Notes to the capital structure – Equity share capital history of our Company" on page 76.*

All the equity shares held by our Promoter were fully paid-up on the respective dates of allotment of such equity shares. Further, there is no subsisting pledge or any other encumbrance on the Equity Shares of our Company, except for 25,272,960 Equity Shares ("**Pledged Shares**"), pledged pursuant to the unattested shares pledge agreement dated August 12, 2022, executed amongst our Company, our Promoter and Piramal Trusteeship Services Private Limited. Such Pledged Shares shall be released from pledge prior to the filing of the updated draft red herring prospectus with SEBI. For further details see *"History and Certain Corporate Matters – Other Agreements"* on page 200.

b) *Shareholding of our Promoter and Promoter Group*

The details of shareholding of our Promoter, and the Promoter Group (other than our Promoter) as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity share capital (on a fully diluted basis)(%)*	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
Promoter					
1.	Rakesh Chopdar	42,241,800	75.39	[●]	[●]
Sub-Total (A)		**42,241,800**	**75.39**	**[●]**	**[●]**
Promoter Group					
1.	Kartik Chopdar	297,300	0.53	[●]	[●]
2.	Satwik Chopdar	148,650	0.27	[●]	[●]
3.	Jyoti Chopdar	144,000	0.26	[●]	[●]
4.	Babita Shripalsingh Sulhyan	12,000	0.02	[●]	[●]
5.	Deepak Chopdar	11,820	0.02	[●]	[●]
6.	Amit Walia	6,000	0.01	[●]	[●]
7.	Ella Walia	6,000	0.01	[●]	[●]
Sub-Total (B)		**625,770**	**1.12**	**[●]**	**[●]**
Total (A+B)		**42,867,570**	**76.51**	**[●]**	**[●]**

* *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

12. **Details of Promoter Contribution and Lock-in**

a) In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter, shall be locked in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoter's contribution from the date of Allotment ("**Promoter Contribution**"), and our Promoter's shareholding in excess of 20% of the post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment.

b) The details of the Equity Shares to be locked-in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoter Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in(1)(2)	Date of allotment/ transfer	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share capital*	Date up to which the Equity Shares are subject to lock in
Rakesh Chopdar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *Subject to finalisation of the Basis of Allotment.*
(1) *For a period of 18 months or such other period as prescribed under SEBI ICDR Regulations from the date of Allotment.*
(2) *All Equity Shares were fully paid-up at the time of Allotment.*

Our Promoter has given his consent to include such number of Equity Shares held by him as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the

Promoter 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.

c) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoter Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "- *History of the Equity Share capital held by our Promoter*" on page 82.

In this connection, we confirm that the Equity Shares considered as Promoter Contribution:

(i) have not been acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus for consideration other than cash, involving any revaluation of assets or capitalisation of intangible assets;

(ii) did not result from a bonus issue of Equity Shares during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of the Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoter Contribution;

(iii) are not acquired or subscribed to during the immediately preceding year from the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and

(iv) are not subject to any pledge or any other encumbrance.

All Equity Shares held by our Promoter are held in dematerialized form.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm.

13. **Details of lock-in of other Equity Shares:**

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for a period of three years and our Promoter's shareholding in excess of 20% of the post-Offer equity share capital which shall be locked in for a period of one year as specified above. In terms of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (other than the Equity Shares held by our Promoter) will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale (excluding the portion of the Offer for Sale offered by our Promoter which shall be locked-in for a period of one year), and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations, as applicable.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to another promoter or another members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in; in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable. Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, which are locked-in for a period of three years from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Offer.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked-in for a period of one year from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, with respect to the Equity Shares locked-in as Promoter Contribution for eighteen 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 .

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

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Offer 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 along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferee for the remaining period and compliance with the SEBI Takeover Regulations, unless such transferee is a venture capital fund or alternative investment fund of category I or category II, or a foreign venture capital investor as under Regulation 17 of the SEBI ICDR Regulations. Such transferee shall not be eligible to transfer until the expiry of the lock -in period and compliance with the Takeover Regulations.

14. **Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

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

15. 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, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

16. Except for the issuance of Equity Shares upon conversion of the outstanding PSCOF CCDs and 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 the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

17. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 64.

18. Except as disclosed below and under the section entitled "- *Build-up of Promoter's equity shareholding in our Company*" on page 82, our Promoter, any member of our Promoter Group, any of the Directors of our Company and their relatives, have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

    a. Transfer of 297,300 Equity Shares, 148,650 Equity Shares, 12,000 Equity Shares, 11,820 Equity Shares, 6,000 Equity Shares and 6,000 Equity Shares from our Promoter to Kartik Chopdar, Satwik Chopdar, Babita Shripalsingh Sulhyan, Deepak Chopdar, Ella Walia and Amit Walia, respectively, on September 28, 2023, by way of gift; and

    b. Transfer of 173,430 Equity Shares from our Promoter to Vishnu Pramodkumar Malpani, Whole-Time Director of our Company, on September 28, 2023, by way of gift.

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

20. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.

21. There are no partly paid-up Equity Shares as on the date of Draft Red Herring Prospectus, and all the Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment.

22. Our Promoter and the members of our Promoter Group shall not participate in the Offer except to the extent of their participation in the Offer for Sale.

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

24. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares or Preference Shares of our Company. The BRLMs and their affiliates may engage in the 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 for which they may in the future receive customary compensation.

25. Except for the PSCOF CCDs, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

26. Our Company shall ensure that all transactions in the securities of the Company by our Promoter and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transactions.

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

28. Except as disclosed in "*Our Management – Shareholding of our Directors in our Company*" and "*Our Management – Shareholding of our Key Managerial Personnel and Senior Management Personnel*" on pages 207 and 216 respectively, none of our Directors or our Key Managerial Personnel or our Senior Management hold any Equity Shares in our Company.

OBJECTS OF THE OFFER

The Offer comprises of Fresh Issue and the Offer for Sale, aggregating to ₹7,400.00 million.

Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. The proceeds of the Offer for Sale shall be received by the Selling Shareholders and will not form part of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale. For further details of the Offer for Sale, see "*The Offer*" beginning on page 62.

Fresh Issue

The Net Proceeds of the Fresh Issue, i.e., gross proceeds of the Fresh Issue less our Company's share of the Offer related expenses are proposed to be utilized in the following manner:

1. Funding capital expenditure of our Company;

2. Repayment/prepayment, in part or full, of certain of our borrowings availed by our Company; and

3. General corporate purposes.

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

The main objects clause and the objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to (i) to undertake our existing business activities; and (ii) undertake the activities for which the funds are being raised by us in the Fresh Issue and are proposed to be funded from the Net Proceeds (including the activities for which the funds earmarked towards general corporate purposes shall be used). In addition to the above Objects, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

Net Proceeds

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

S. No.	Particulars	Amount (in ₹ million)
1.	Gross Proceeds from the Fresh Issue	2,400.00[1]
2.	(Less) Offer related expenses in relation to the Fresh Issue [2][3]	[●]
	Net Proceeds[3]	[●]

[1] *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder may, in consultation with the BRLMs, undertake the Pre-IPO Placement of up to [●] Equity Shares aggregating up to ₹480.00 million. The size of the Fresh Issue of Equity Shares will be adjusted up to ₹[●] million if the Pre-IPO Placement is contemplated, subject to compliance with Rule 19(2)(b) of the SCRR.*

[2] *For details, see "- Offer related expenses" on page 94.*

[3] *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of Funds and Utilisation of Net Proceeds

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

Particulars	Amount (in ₹ million)
Funding capital expenditure of our Company	603.95
Repayment/ prepayment, in part or full, of certain borrowings availed by our Company	1,381.88
General corporate purposes[1]	[●]
Net Proceeds[1]	**[●]**

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

Proposed deployment of Net Proceeds

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

(in ₹ million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals	
		2024	2025
Funding capital expenditure of our	603.95	360.19	243.76

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals	
		2024	2025
Company			
Repayment/prepayment, in part or full, of certain of our borrowings availed by our Company	1,381.88	829.13	552.75
General corporate purposes[(1)]	[●]	[●]	[●]
Net Proceeds[(1)]	[●]	[●] [(2)]	[●] [(2)]

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

(2) *Aggregate of estimated deployment of the Net Proceeds towards (a) funding capital expenditure of our Company; and (b) repayment/prepayment, in part or full, of certain of our borrowings availed by our Company.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, current and valid quotations from vendors and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy, competition, and other external factors such as changes in the business environment, market conditions, regulatory frameworks and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, deployment schedule and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Please see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Offer. We have relied on the quotations received from third parties for estimation of the cost for our capital expenditure requirements and have not been independently appraised by a bank or a financial institution*" on page 37.

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

Details of the Objects

1. Funding capital expenditure requirements of our Company

We aim to continue investing in our existing manufacturing facilities, including our manufacturing equipment and technologies to support the production of our portfolio of products. As part of such investment, we will incur expenditure towards the purchase of various types of equipment as mentioned in the table below. For further details, see "*Our Business – Our Strategies – Leverage our industry-leading capabilities by continuing to diversify our customer base and increase penetration and wallet share with existing customers by entering into new component lines*" on page 175.

Accordingly, our Company has identified the plant and machinery to be purchased and obtained quotations from respective vendors and is yet to place any orders or enter into any definitive agreements for such plant and machinery. No second-hand or used machinery are proposed to be purchased out of the Net Proceeds. The amount to be spent and plant and machinery to be procured by our Company will depend upon business requirements and technology advancement. Our Company intends to utilise ₹603.95 million from the Net Proceeds to purchase such plant and machinery. The details and total estimated cost towards purchasing plant and machinery for the capital expenditure are set forth in the table below.

Detailed break-up of capital expenditure requirements

Sr. No.	Location/facility	Description of equipment	Purpose of equipment	Quantity/ lot/ Set [1][4]	Amount (₹ in million) [2][3]	Name of the vendors	Date of quotations	Period of validity
1.	Jeedimetla, Hyderabad, India	Universal Machining Centre G550a	Energy aerofoil root precision milling	3	84.11	Grob Machine Tools India Private Limited	September 12, 2023	September 11, 2024
2.	Jeedimetla, Hyderabad, India	Vortex I-630V/6S	Energy aerofoil root precision milling	2	74.10	Yamazaki Mazak Singapore Pte Limited	August 18, 2023	August 17, 2024
3.	Jeedimetla, Hyderabad, India	Vortex I-800V/8S	Energy aerofoil root precision milling	2	84.36	Yamazaki Mazak Singapore Pte Limited	August 18, 2023	August 17, 2024
4.	Jeedimetla, Hyderabad, India	Integrex I-250H S – 1000U	Energy aerofoil profile precision machining	11	269.61	Yamazaki Mazak Singapore Pte Limited	August 18, 2023	August 17, 2024
5.	Jeedimetla, Hyderabad, India	Integrex I-250H S – 1500U	Energy aerofoil profile precision machining	2	54.72	Yamazaki Mazak Singapore Pte Limited	August 18, 2023	August 17, 2024
6.	Jeedimetla, Hyderabad, India	Integrex I-450H S - 2500U	Energy aerofoil profile precision machining	1	37.05	Yamazaki Mazak Singapore Pte Limited	August 18, 2023	August 17, 2024
Total estimated cost								**603.95**

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

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

(3) *The quotations for certain equipment are in foreign currencies such as Euro and JPY. Conversion rates as of August 18, 2023: (a) EUR 1.00 = INR 90.44; and (b) JPY 1.00 = ₹ 0.57. (Source: https://fbil.org.in/, https://www.xe.com/).*

(4) *The amount included in the quotation includes 'free carrier to freight on board' charges, which refers to the charges payable by the seller for transporting the machinery to a port as specified by our Company.*

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we are yet to place any orders for the total capital expenditure. We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management and could be subject to change in the future. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. Our Company shall have the flexibility to deploy such equipment in relation to the capital expenditure or such other equipment as may be considered appropriate, according to the business or engineering requirements of such facilities, subject to the total amount to be utilized towards purchase of such equipment not exceeding ₹602.72 million. See, "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Offer. We have relied on the quotations received from third parties for estimation of the cost for our capital expenditure requirements and have not been independently appraised by a bank or a financial institution*" on page 37.

2. Repayment/ prepayment, in part or full, of certain borrowings availed by our Company

Our Company has entered into various financial arrangements with banks and financial institutions. The outstanding loan facilities entered into by our Company include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, including indicative terms and conditions, see "*Restated Financial Information - Annexure VII – Notes to Restated INDAS Consolidated Financial Information – Notes 13 and 14*" and *"Financial Indebtedness"* beginning on pages 260 and 289, respectively. As on June 30, 2023, the aggregate outstanding borrowings (except for the PSCOF CCDs) of our Company is ₹1,574.11 million (including bank guarantee amounting to ₹0.50 million).

Our Company proposes to utilise an estimated amount of ₹1,381.88 million from the Net Proceeds towards repayment/ prepayment, in part or full, of certain borrowings availed by our Company as identified below, and the accrued interest thereon. Further, our Company shall pay the prepayment charges, if any, on the loans identified below, out of the portion of Net Proceeds available for repayment/ prepayment, in part or full, of certain borrowings availed by our Company. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company. The repayment/ prepayment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt-equity ratio and enable utilisation of funds from our internal accruals or additional loans, as required, for further investment in business growth and expansion. In addition, we believe that this will enable us to raise further resources at competitive rates and additional funds / capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Owing to the nature of our business and/or the borrowings, we may avail additional facilities or repay certain instalments of our borrowings after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of borrowings (including refinanced or additional borrowings availed, if any, or otherwise), in part or in full, would not exceed ₹1,381.88 million.

The following table sets forth details of certain borrowings availed by our Company, which are outstanding as on June 30, 2023 out of which our Company may repay/prepay, all or a portion of, any or all of the borrowings, from the Net Proceeds:

Sr. No.	Name of the lender*	Nature of borrowing*	Amount sanctioned* (*in ₹ million*)	Amount outstanding as on June 30, 2023* (*in ₹ million*)	Applicable rate of interest as on June 30, 2023*	Tenor/ repayment schedule	Purpose for which the loan was sanctioned and utilised*	Prepayment penalties (if imposed)
1	Union Bank of India	Term loan	150.00	25.61	7.31%	45 months	Equipment financing	As may be stipulated by the lender.
			150.00	96.23	7.45%	72 months	Equipment financing	As may be stipulated by the lender.
			100.00	82.03	7.21%	60 months	Purchase of CNC machine	As may be stipulated by the lender.
2	IndusInd Bank Limited	Term loan	189.70	179.95	7.50%	60 months	Purchase of CNC machine	As may be stipulated by the lender.
3	ICICI Bank Limited	Term loan#	150.00	150.00	7.84%	60 months	Purchase of CNC machine	2%
4	Union Bank of India	Pre-shipment credit in foreign currency#	200.00	200.00	8.00%	On-demand	Working capital	As may be stipulated by the lender.
			100.00	99.97	10.65%	On-demand		
5	IndusInd Bank Limited	Export packing credit/ pre-shipment credit in foreign currency	285.00	213.08	7.86%	On-demand	Working capital	As may be stipulated by the lender.
6	ICICI Bank Limited	Post-shipment credit in foreign currency	215.00	214.07	8.62%	On-demand	Working capital	As may be stipulated by the lender
7	Tata Capital Limited	Term loan	75.00	17.91	13.80%	60 months	Equipment financing	2% for 36 months and 1%, post which on the amount prepaid.
			106.20	75.31	13.30%	60 months		4% of the amount prepaid.
			10.00	10.00	13.80%	72 months		Nil

Sr. No.	Name of the lender*	Nature of borrowing*	Amount sanctioned*	Amount outstanding as on June 30, 2023*	Applicable rate of interest as on June 30, 2023*	Tenor/ repayment schedule	Purpose for which the loan was sanctioned and utilised*	Prepayment penalties (if imposed)
			(*in ₹ million*)					
8	YES Bank Limited	Buyers credit#	47.34	47.34	1.00%	60 months	Purchase of CNC machine	2% plus applicable taxes
	Total		**1,778.24**	**1,411.50**				

For further details, including indicative terms and conditions, see "Restated Financial Information - Annexure VII – Notes to Restated INDAS Consolidated Financial Information – Notes 13 and 14" "Financial Indebtedness" beginning on pages 260 and 289, respectively.

* *As certified by report/certificate dated September 29, 2023, issued by our Statutory Auditors, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.*

Excludes interest accrued and foreign exchange fluctuations on the facilities. Any interest accrued or amounts due owing to foreign exchange fluctuations shall be paid from our internal accruals.

The selection of borrowings proposed to be repaid/ prepaid out of the borrowings provided above, which has been approved pursuant to a resolution passed by our Board on September 29, 2023, shall be based on various factors including (i) cost of the borrowings to our Company, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, prior to completion of the Offer (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds of the Offer.

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

Our Company proposes to repay / prepay certain loans availed from ICICI Bank Limited, which is related to one of the Book Running Lead Managers, ICICI Securities Limited. However, ICICI Securities Limited does not qualify as associate of our Company in terms of the SEBI Merchant Banker Regulations and such borrowings have been sanctioned to our Company as part of their ordinary course of lending business. For details, see *"Risk Factors – A portion of the Net Proceeds may be utilized for repayment or pre-payment of a loan availed by our Company from ICICI Bank Limited, which is an affiliate of ICICI Securities Limited, one of the BRLMs"* on page 51.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes and business requirements of our Company, subject to such amount not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) investments in accordance with the investment policy of our Company, and (ii) meeting exigencies, salaries and meeting expenses incurred by our Company in the ordinary course of business as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013, incurred by our Company in the ordinary course of business, as may be applicable. Further, this portion of Net Proceeds may also be utilised to meet the shortfall in the Net Proceeds for the Objects set out above.

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

Means of finance

We propose to fund the requirements of the Objects detailed above from the Net Proceeds and existing identifiable internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue as required under Regulation 7 of the SEBI ICDR Regulations.

Offer related expenses

The Offer expenses are estimated to be approximately ₹[●] million. Other than (a) audit fees not attributable to the Offer, listing fees and expenses for any product or corporate advertisements consistent with past practice of our Company (other than the expenses relating to the Offer), which will be borne by our Company and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer, including Offer advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar's fees, fees to be paid to the BRLMs, fees and expenses of legal counsel to our Company and the BRLMs, fees and expenses of the auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and RTAs, and payments to consultants, and advisors, shall be shared among our Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All such payments shall be made by our Company on behalf of the Selling Shareholders and the Selling Shareholders agree that they shall, severally and not jointly, reimburse our Company in proportion to their respective proportion of the Offered Shares, for any expenses incurred by our Company on behalf of such Selling Shareholder. Further, in the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, all expenses in relation to the Offer including the fees of the Book Running Lead Managers and legal counsel and their respective reimbursement for expenses which may have accrued up to the date of such postponement, withdrawal, abandonment or failure as set out in their respective engagement letters, shall be borne by the Company, subject to applicable law and except as may be prescribed by the SEBI or any other regulatory authority.

The break-up for the Offer expenses is as follows:

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 commission including underwriting commission, as applicable	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Banks, Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIBs and Eligible Employees. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs [(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other parties, including but not limited to Statutory Auditors, Independent Chartered Accountant, industry expert and Independent Chartered Engineer			
Others	[●]	[●]	[●]
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and distribution of issue stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fees payable to legal counsels			
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

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

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*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) *Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

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

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

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

(6) *Selling commission on the portion for UPI Bidders using the UPI Mechanism, Non-Institutional Bidders and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:*

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

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

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

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

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

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

*Portion for RIBs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Based on valid applications*

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

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

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

(11) *Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹*

0.50 million and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 0.50 million will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 including the SEBI RTA Master Circular.

Interim use of Net Proceeds

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

Bridge loans

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

Monitoring of utilisation of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint the monitoring agency ("**Monitoring Agency**"), prior to filing the Red Herring Prospectus, to monitor the utilisation of the Net Proceeds, as the Fresh Issue size exceeds ₹1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

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

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above.

Variation in Objects of the Offer

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

Appraising agency

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

Other confirmations

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

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

BASIS FOR OFFER PRICE

The Price Band and Offer Price and discount (if any) will be determined by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, 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 ₹2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read "*Risk Factors*", "*Our Business*", "*Restated Financial Information*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 28, 160, 224, 285 and 292, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Engineered for success and a preferred name in the manufacturing of highly engineered, complex, and mission and life- critical high precision components for global OEMs growing competition from China and Eastern Europe;
- Supplying to OEMs with high global market penetration;
- Long-standing and deep customer relationships;
- Advanced manufacturing facilities with a diverse range of products and solutions with focus on innovation and cost competitiveness; and
- Consistent track record of financial performance.

For further details, see "*Our Business – Strengths*" on page 169.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Financial Information. For further details, see "*Restated Financial Information*" beginning on page 224.

Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.

Sub-division of equity shares are retrospectively considered for the computation of EPS (as defined hereinafter) in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per Equity Share for all periods presented. Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up Equity Share.

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

1. Basic and Diluted Earnings Per Equity Share ("EPS"), as adjusted for changes in capital:

As derived from the Restated Financial Information:

Financial/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2023	1.79	1.79	3
Financial Year 2022	6.49	6.49	2
Financial Year 2021	2.53	2.53	1
Weighted Average	**3.48**	**3.48**	
Three months period ended June 30, 2023*	1.49	1.49	

**Not annualized.*

Notes:

(1) *Earnings per Equity Share = Profit attributable to owners of our Company for the year / Weighted average number of equity shares outstanding during the year.*

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

(3) *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended), read with the requirements of the SEBI ICDR Regulations.*

(4) *Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each. Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up equity share.*

(5) *The figures disclosed above are derived from the Restated Financial Information of our Company.*

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

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Basic EPS for Financial Year 2023	[●]	[●]
Based on Diluted EPS for Financial Year 2023	[●]	[●]

* *To be updated at the price band stage.*

Notes:

(1) P/E ratio has been computed dividing the price per Equity Share by Earnings per Equity Share.

3. Industry P/E ratio

Particulars	P/E Ratio
Highest	91.23
Lowest	73.33
Industry Composite	83.99

Notes:

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

(2) The industry P / E ratio mentioned above is as per the closing rate as on September 28, 2023 quoted on BSE.

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

4. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of our Company:

Period ended	RoNW%	Weight
Financial Year 2023	4.23	3
Financial Year 2022	25.37	2
Financial Year 2021	12.65	1
Weighted Average	**12.68**	
Three months period ended June 30, 2023*	3.57	

**Not annualized.*

Notes:

(1) Return on Net Worth (%) = Profit after tax for the period/year divided by total equity excluding capital redemption reserve.

(2) Net Worth represents total equity excluding capital redemption reserve.

(3) Weighted average = Aggregate of year-wise RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

5. Net Asset Value per Equity Share of face value of ₹ 2 each

Net Asset Value per Equity Share	(₹)
As on March 31, 2023	42.30
As on June 30, 2023	41.88
After the Offer	At Floor Price: [●]
	At Cap Price: [●]
Offer Price	[●]

Notes:

(1) Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.

(2) Net Worth represents total equity excluding capital redemption reserve.

(3) Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.

(4) On September 18, 2023, the Company allotted 41,295,650 Equity Shares pursuant to bonus issuance, in the ratio of 5 Equity Shares for every 1 existing fully paid up Equity Shares.

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

6. Comparison of accounting ratios with listed industry peers

Name of Company	Face value Per equity share (₹)	Total income, for Fiscal 2023 (in ₹ million)	EPS (₹) for Fiscal 2023		P/E as on September 28, 2023	Return on Net Worth (%) for Fiscal 2023	Net Asset Value per equity share (₹) for Fiscal 2023
			Basic	Diluted			
Azad Engineering Limited	2	2,615.21	1.79	1.79	N.A.	4.23	42.30
Peer Group							
MTAR Technologies Limited	10	5,932.28	33.62	33.62	73.33	16.72	201.13

Name of Company	Face value Per equity share (₹)	Total income, for Fiscal 2023 (in ₹ million)	EPS (₹) for Fiscal 2023		P/E as on September 28, 2023	Return on Net Worth (%) for Fiscal 2023	Net Asset Value per equity share (₹) for Fiscal 2023
			Basic	Diluted			
Paras Defence and Space Technologies Limited	10	2,306.50	9.25	9.25	82.28	8.69	10.60
Dynamatic Technologies Limited	10	13,255.30	67.32	67.32	91.23	7.93	79.47
Triveni Turbine Limited	1	12,901.73	5.97	5.97	89.12	25.47	23.83

Notes:

(1) All the financial information for listed industry peers mentioned above is on an audited consolidated basis and sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

(2) The basic and diluted Earnings per Equity Share for the year presented for Azad Engineering Limited have been calculated/restated after considering the share split and bonus issue subsequent to June 30, 2023.

(3) Basic and diluted EPS refers to the Basic and diluted EPS sourced from the publicly available financial results of the respective company for Fiscal 2023.

(4) P/E Ratio has been computed based on the closing market price (September 28, 2023) of equity shares on BSE, divided by the Diluted EPS provided under Note (3) above.

(5) Return on Net worth (%) = Profit for the year / Net Worth at the end of the year.

(6) Net Asset Value per Equity Share (in ₹) = Net worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.

(7) N.A. – Not Applicable

7. Key Performance Indicators ("KPIs")

The tables below set forth the details of our certain financial data based on our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the financial data based on our Restated Financial Information, certain non-GAAP measures and KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated September 29, 2023. Further, the Audit Committee has noted that no KPIs have been disclosed to any new investors in the last three year preceding the date of this Draft Red Herring Prospectus. The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of the Company and were presented in the past meetings of the Board and Audit Committee or shared with the shareholders and potential investors during the three years preceding the date of this Draft Red Herring Prospectus, which have been consequently identified as relevant and material KPIs and are disclosed in this "*Basis for Offer Price*" section, have been identified and verified by the management of our Company in consultation with the Independent Chartered Accountant in accordance with SEBI ICDR Regulations.

The list of KPIs and as certified by the Independent Chartered Accountant by way of their certificate dated September 29, 2023, is set out below for the indicated period:

(in ₹ million, unless otherwise stated)

Particulars	Three months ended June 30, 2023	As at / for the Fiscal ended March 31,		
		2023	2022	2021
Revenue from operations	759.10	2,516.75	1,944.67	1,227.21
Revenue from operations growth[1] (%)	-**	29.42	58.46	-*
Revenue from customers outside India	688.36	2,023.08	1,518.17	1,007.33
Gross Profit[2]	681.28	2,215.24	1,737.05	1,089.12
Gross Margin[3](%)	89.75	88.02	89.32	88.75
EBITDA[4]	262.15	722.78	622.68	281.54
EBITDA Growth[5] (%)	-**	16.08	121.17	-*
EBITDA Margin[6] (%)	34.53	28.72	32.02	22.94
Profit after tax for the period/year	74.04	84.73	294.57	115.00
Profit Margin[7] (%)	9.75	3.37	15.15	9.37
Return on Capital Employed[8] (%)	4.02***	12.99	16.95	12.09

** Not included as the comparative period figures under Ind AS for FY 2020 / as on March 31, 2020 are not available*

*** This figure has not been disclosed as it has not been annualised.*

**** Not annualised*

Notes:

(1) Revenue from operations growth (year on year) means the annual growth in Revenue from operations.

(2) Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and increase/ decrease in inventories.

(3) Gross Margin is calculated as Gross Profit divided by Revenue from Operations.

(4) EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.

(5) EBITDA Growth (year on year) means the annual growth in EBITDA.

(6) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

(7) Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.

(8) Return on capital employed (%) is calculated as EBIT divided by capital employed. EBIT is calculated as restated profit after tax for the year/ period plus total tax expense plus finance costs and capital employed is calculated as the sum of total equity, current borrowings, and non-current borrowings.

For reconciliation of certain non-GAAP measures, see "*Other Financial Information – Reconciliation of Non-GAAP Measures"* on page 285.

For details of other performance indicators disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of* Operations" beginning on pages 160 and 292, respectively.

Subject to applicable law, the Company confirms that it shall continue to disclose all the above KPIs included in this "*Basis for Offer Price*" section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "*Objects of the Offer*" section on page 88.

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

In evaluating our business, we consider and use certain financial data based on the KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the restated summary statement. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These certain financial data based on KPIs have limitations as analytical tools. Further, these certain financial data based on KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results, when taken collectively with financial measures prepared in accordance with Ind AS. For further details, see "*Risk Factors - Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These Non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies."* on page 52.

Explanations for the KPIs

KPIs	Explanations
Revenue from operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Revenue from operations growth	Revenue from Operations growth provides information regarding the growth of our business for the respective period.
Revenue from customers outside India	Revenue from Customers outside India is used by our management to track the revenue profile from the exports undertaken by the Company and in turn helps assess the overall financial performance undertaken through exports by our Company.
Gross Profit	Gross Profit assesses the Company's operational efficiency at using its labour and costs in producing goods or services.
Gross Margin	Gross Margin is an indicator of the operational efficiency and financial performance of the business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Growth	EBITDA growth provides information regarding the growth of our operational performance for the respective period.
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit after tax for the period/year	Profit after tax for the period/year provides information regarding the growth of our operational performance for the respective period.
Profit Margin	Profit Margin is an indicator of the overall profitability and financial performance of our business.
Return on Capital Employed	Return on capital employed provides how efficiently our Company generates earnings from the capital employed in the business.

9. Comparison with Listed Industry Peers

While our peers listed in India (mentioned below), like us, operate in the same industry and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence or serving certain segments or sub-segments of our customer base. We believe that we have no peers that operate in the full spectrum of our customer base, geographical market, product range and price points. Our Company does not have any listed industry peers in India which operates in the similar business segments. Provided below is the comparison with the peers listed in India which have similar exposure to certain segments or use the similar nature of manufacturing process for their products.

(in ₹ million, unless otherwise stated)

Particulars	Azad Engineering Limited	MTAR Technologies Limited	Paras Defence and Space Technologies Limited	Dynamatic Technologies Limited	Triveni Turbine Limited
Revenue from operations	2,516.75	5,737.51	2,224.26	13,157.70	12,475.50
Revenue from operations growth(1) (%)	29.42	78.18	21.84	4.98	46.39
Revenue from customers outside India	2,023.08	4,506.28	351.57	10,072.10	5,436.13
Gross Profit(2)	2,215.24	3,042.41	1,170.63	6,847.50	6,004.12
Gross Margin(3)(%)	88.02	53.03	52.63	52.04	48.13
EBITDA(4)	722.78	1,539.74	567.50	1,812.60	2,764.00
EBITDA Growth(5) (%)	16.08	63.06	9.44	7.11	43.88
EBITDA Margin(6) (%)	28.72	26.84	25.51	13.78	22.20
Profit after tax for the period/year(7)	84.73	1,034.19	359.40	427.90	1,928.80
Profit Margin(8) (%)	3.37	18.03	16.16	3.25	15.46
Return on Capital Employed(9) (%)	12.99	17.72	12.24	11.76	31.24

Notes:

1. *Revenue from operations growth (year on year) means the annual growth in Revenue from operations.*
2. *Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of Goods Sold is the sum of cost of materials consumed, purchases of stock-in-trade and increase/ decrease in inventories.*
3. *Gross Margin is calculated as Gross Profit divided by Revenue from operations.*
4. *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortization expense less other income.*
5. *EBITDA Growth (year on year) means the annual growth in EBITDA.*
6. *EBITDA Margin is calculated as EBITDA divided by Revenue from operations.*
7. *Profit for the year/period is calculated as profit before tax minus tax expense for the year/period.*
8. *Profit margin is calculated as profit after tax as a percentage of revenue from operations.*
9. *Return on Capital Employed % (ROCE) is calculated as EBIT divided by capital employed. EBIT is calculated as restated profit after tax for the year/ period plus total tax expense plus finance costs and capital employed is calculated as the sum of total equity, Current borrowings, and non-current borrowings*
10. *All the financial information for listed industry peers mentioned above is on a consolidated basis and sourced from the audited financial statements of the relevant companies Fiscal 2023 as available on the websites of the Stock Exchanges*

10. WEIGHTED AVERAGE COST OF ACQUISITION

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

Except as disclosed below, our Company has not issued any Equity Shares or convertible securities ("**Security(ies)**") (excluding Equity Shares issued pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

1. Equity Shares

Date of allotment	Name of allottee	No. of equity shares allotted (adjusted for bonus issue and split) (1)(2)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)	Issue Price per equity share (adjusted for bonus issue and split) (1)(2)
October 13, 2022	Allotment of 42,932 equity shares to DMI Finance Private Limited, 242 equity shares to Anshuman Madam Malur, 242 equity shares to Shakendra Bhandari and 72 equity shares to Yatharth Ratadiya	1,304,640	Pursuant to conversion of CCDs in the ratio of 24.16 equity shares for every 1 DMI CCD.	Cash (Paid at the time of subscription)	180.00	137.97
October 17, 2022	Allotment of 10,703 equity shares to Venkata Subbaraju Penmetsa, 9,514 equity shares to Rajyalakshmi Penmetsa, 28,541 equity shares to Vivek Mundra, 19,028 equity shares to Nageshwar Reddy Duvvur, 9,514 equity shares to Bindiya Mahapatra, 5,946 equity shares to Venkata Krishnam Raju Alluri, 2,378 equity shares to Vijay Kumar Raju Alluri, 4,757 equity shares to Pilot Consultants Private Limited and 4,757 equity shares to Plutus Capital.	2,854,140	Preferential Allotment	Cash	573.02	200.77
Weighted average cost of acquisition (WACA) (primary transactions) (₹ per Equity Share)						181.07

(1) Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.

(2) Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up equity share.

2. Compulsory Convertible Debentures

Date of allotment	Name of allottee	No. of compulsory convertible debentures allotted(1)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)	Issue Price per compulsory convertible debentures
August 13, 2022	Piramal Structured Credit Opportunities Fund	1,600	Private Placement	Cash	1,600	1,000,000
Weighted average cost of acquisition (WACA) (primary transactions) (₹ per compulsory convertible debenture)						1,000,000

(1) 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund, which shall, subject to the provisions of the Piramal DTD, be converted to a maximum of up to 6,476,310 Equity Shares prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations.

B. Price per share of the Company (as adjusted for corporate actions, including sub-division of equity shares and bonus issuances) based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving any of the Promoter, members of the Promoter Group, Selling Shareholders or Shareholders with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

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

C. Since there are no such transactions to report under B, the following are the details of price per share of the Company basis the last five secondary transactions (secondary transactions where Promoter, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

Secondary transactions:

There are no transactions to report to under (B) above. Therefore, the details of last secondary transactions (where our Promoter, members of the Promoter Group, Selling Shareholders or shareholders with right to nominate directors on our Board, are a party to the transaction) prior to the date of filing of this Draft Red Herring Prospectus are below:

Date of Transfer	Name of transferor	Name of transferee	No. of Equity Shares transferred (adjusted for bonus issue and split) (1)(2)	Total Consideration (in ₹ million)	Price per Equity Share (adjusted for bonus issue and split)(1)(2)
March 6, 2023	Rakesh Chopdar	Sachin Ramesh Tendulkar	438,210	50.00	114.10
		Venkata Subbaraju Penmetsa	201,630	46.01	228.17
		Rajyalakshmi Penmatsa	175,320	40.00	228.17
		Dheeraj Reddy Endela	13,170	3.00	228.17
March 11, 2023		Nikhat Zareen	43,800	9.99	228.17
		Velagapudi Pranavi Chandra	43,800	9.99	228.17
		Venkatsai Laxman Vangipurapu	43,800	9.99	228.17
		Saina Nehwal	43,800	9.99	228.17
		Asian Institute of Gastro Enterology Private Limited	43,830	10.00	228.17
		Chamundeswara Nath Vankina	87,660	20.00	228.17
		Venkat Rao Guduru	21,930	5.00	228.17
		Anitha Mudireddy	13,170	3.00	228.17
		Anupa Sajjanar	17,550	4.00	228.17
		N. Srinivas Rao	17,550	4.00	228.17
March 21, 2023		Vrajendra Milind Chama	21,930	5.00	228.17
March 24, 2023		Pusarla Venkata Sindhu	43,800	9.99	228.17
Weighted average cost of acquisition (WACA) (secondary transactions) (₹ per Equity Share)					**188.84**

(1) Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.

(2) Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up equity share.

11. Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)#	Floor price (i.e. ₹ [●]*)	Cap price (i.e. ₹ [●]*)
Weighted average cost of acquisition (WACA) of Primary Issuances as disclosed in point 10 (A) above**	181.07	[●]* times	[●]* times
Weighted average cost of acquisition (WACA) of Secondary Transactions as disclosed in point 10 (B) above	N.A.	[●]* times	[●]* times
Weighted average cost of acquisition (**WACA**) of Equity Shares as disclosed in point 10 (C) above			
Based on the primary issuances undertaken during the last three years	N.A.	[●]* times	[●]* times
Based on the secondary transactions undertaken during the last three years	188.84	[●]* times	[●]* times

* *To be updated at Prospectus.*

\# *As certified by the Independent Chartered Accountant, by way of their certificate dated September 29, 2023.*

** *Considering primary issuances of Equity Shares only.*

12. Justification for Basis of Offer price

The following provides a detailed explanation for the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph 12 above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the three month period ended June 30, 2023 and for the Financial Years 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the Offer.

[●]*

**To be included on finalization of Price Band.*

The Offer Price of ₹[●] has been determined by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*" and "*Summary of Restated Financial Information*" beginning on pages 28, 160 and 64, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

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

To,

The Board of Directors
Azad Engineering Limited
CIN: U74210TG1983PLC004132
90/C&D, Phase-1,
I.D.A. Jeedimetla,
Hyderabad-500055

Dear Sir/Ma'am,

Sub: Statement of special tax benefits available to Azad Engineering Limited (the "Issuer" or the "Company") and to its shareholders under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, M S K A & Associates, Chartered Accountants, the statutory auditors of the "Company hereby confirm the enclosed statement in Annexure (the "Statement") prepared and issued by the Company, which provides the special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, regulations, circulars and notifications issued thereon, as applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25 (as covered in Annexure1), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the "Taxation Laws"), including the rules, regulations, circulars and notifications issued thereon, each as amended by the Finance Act, 2023 and as applicable to the assessment year 2024-25 relevant to the financial year 2023-24 and Foreign Trade Policy, 2023 available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil such conditions for availing special tax benefits.

2. This statement of special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, and its shareholders, the same would include those benefits as enumerated in the Statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits available to the Company and its shareholders, and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement.

3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

4. The benefits discussed in the enclosed Statement cover the special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

5. In respect of non-residents, 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.

6. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own

tax consultant with respect to the specific tax implications arising out of their participation in the initial public offering of equity shares of the Company (the "Offer") and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

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

8. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

9. This Statement is addressed to board of directors of the Company and has been issued at specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the draft red herring prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our Statement. While reasonable care has been taken in the preparation of this Statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

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Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: September 29, 2023

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO Azad Engineering Limited (THE "COMPANY") AND ITS SHAREHOLDERS

Outlined below are the possible Special Tax Benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced in India.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Under the Income Tax Act, 1961 ('the Act')

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

   There are no special tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Act**

   - Long term capital gains on transfer on shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 10% (plus applicable surcharge and cess).

   - Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 15% (plus applicable surcharge and cess).

   - Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial.

   Notes:

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

   - This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

   - The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only The benefits listed above may not be exhaustive or comprehensive and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

   - This statement is intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. The list of benefits contains certain recently enacted legislation that may not have a direct legal precedent or may have different interpretation on the benefits. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

For Azad Engineering Limited

Chief Financial Officer

Date: September 29, 2023
Place: Hyderabad

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND TO THE SHAREHOLDERS OF THE COMPANY

Outlined below are the possible tax benefits available to the Company and its shareholders under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24 and Foreign Trade Policy, 2023, presently in force in India.

UNDER THE INDIRECT TAX

BENEFITS TO THE COMPANY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special tax benefits available to the Company

(i) The Company has one active GSTIN operating in the state of Telangana.

(ii) We understand that the Company has earnings in foreign exchange. For cross border transactions that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfillment of prescribed conditions.

(iii) The Company has availed certain benefits on import of goods, which are used for manufacture of exported goods, subject to fulfillment of conditions laid down under the Foreign Trade Policy, 2023 and Customs Law.

2. **Special Tax Benefits available to the Shareholders of the Company**

(i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.
Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement covers only certain relevant indirect tax law benefits and does not cover any other benefit under any other law.
2. These tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indian indirect tax regulation. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.
3. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

5. The above views are based on the existing provisions of 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.

For Azad Engineering Limited

Chief Financial Officer

Date: September 29, 2023
Place: Hyderabad

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

MACROECONOMIC OVERVIEW

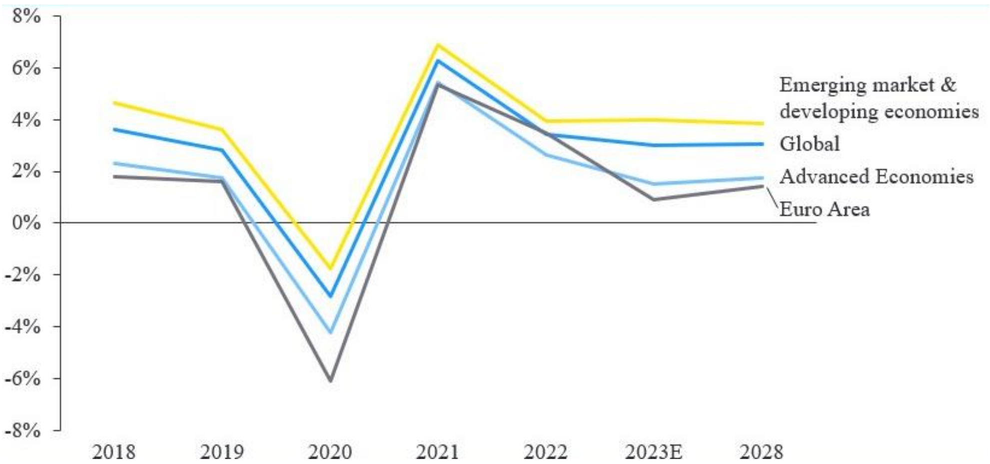
OVERVIEW OF GLOBAL GDP

The global economy expanded at a compounded annual growth rate of 3.1% from 2010 to 2019. The Covid-19 pandemic crisis of 2020 impacted the growth and the global economy contracted by ~3.3% and entered recession. The pandemic forced the economy to a standstill for almost the entirety of 2020 and some part of 2021. While the pandemic subsided, recovery was hindered further by the Russia-Ukraine war, a downturn in the United States, and challenges in the global supply chain. The world has begun to recover from the economic shocks of the last several years.

The global economy is expected to witness a growth rate of 3.0% in 2023. According to IMF, the global slowdown bottomed out in 2022 and the world would likely see a modest growth of ~3% per annum till 2028.

Global growth will be led by emerging markets and developing economies, with established economies, particularly the United Kingdom and the Eurozone, expected to increase only at 0.4% and 0.9% in 2023, respectively. Because of its proximity to the war zone and greater sensitivity to swings in energy costs, the Eurozone is projected to suffer the greatest impact on growth. When compared to global GDP growth, emerging markets, and developing economies are predicted to grow at a rate of 4.0% in 2023.

GDP growth across key aggregates of countries (2018-28)



Source: IMF World Economic Outlook database April 2023, World Economic Outlook Update July 2023

GDP growth across key economies (2018-28)

Country	2018	2019	2020	2021	2022	2023E	2028P
United States	3.0%	2.3%	-2.8%	6.0%	2.1%	1.8%	2.1%
United Kingdom	1.7%	1.6%	-11.0%	7.6%	4.1%	0.4%	1.5%
China	6.8%	6.0%	2.2%	8.5%	3.0%	5.2%	3.4%
India	6.5%	3.9%	-5.8%	9.1%	6.8%	6.1%	6.0%
Russia	2.8%	2.2%	-2.7%	5.6%	-2.1%	1.5%	0.7%
Japan	0.6%	-0.4%	-4.3%	2.2%	1.1%	1.4%	0.4%
Brazil	1.8%	1.2%	-3.3%	5.0%	2.9%	2.1%	2.0%

Source: IMF World Economic Outlook database April 2023, World Economic Outlook Update July 2023
Note: Annual percentages are year-on-year changes of constant price GDP reported in the country local currency; the base year is country-specific

GROWTH OUTLOOK OF KEY ECONOMIES

Outlook on key advanced economies

- USA is facing an estimated growth rate of 1.8% in 2023 over the previous year which witnessed a 2.1% growth. The economy is witnessing a resilience in consumer demands and industrial production which drives the expansion of the economy. The country is slowly easing out of inflation, which peaked to ~8% in 2022. The inflation has been steadily falling ever since, with the country witnessing lower CPI% at 4.5%, a first post pandemic. CPI eased majorly due to fall in energy prices, but other goods in the CPI basket appear to be impacted as well. But this is still higher than the Federal committees' target of 2% inflation over the long term. The US Federal Open Market Committee meeting of July 2023 indicated a below trend GDP growth and softening of labor markets are required to balance supply and demand and to ease inflation. This indicates possible continuing of the rate hike trend. However, the hiking of rates from 2022 also led to added stress on the country's financial systems, indicated by the recent collapse of Silicon Valley

Bank. So, the economy is on a delicate balance between increasing rates to rein in inflation, while ensuring absorbable stress on the banking sector.

- UK is facing slower growth rates and the country's growth is projected to witness a marginal growth of 0.4% in the current year. While the economy appeared to be on a path of recovery after a growth of 4.1% in 2022, the high inflation level of 9% in 2022 forced the Bank of England to tighten the policy measures by increasing interest rates. While the market also witnesses higher wages, the pressure it exerts on inflation is gradually expected to come down with loosening of labor markets.
- Japan is projected to grow at 1.4% driven by domestic demand and retail demand due to pick-up of tourism post pandemic. The country is witnessing reduction in exports due to weak global demand and hence the lower than global growth rate.

Outlook on key emerging markets

- China's economy is facing a slowdown post the pandemic recovery, primarily due to slowing of manufacturing output and decreased domestic demand. Potential for increased exports from the country will also be limited due to slow down in advanced economies such as USA and UK. According to IMF, the country is expected to remain as one of the fastest growing economies in the Asia region in the current year, contributing to ~35% of global growth. However, the economy is expected to slow down in the future due to inherent demographic characteristics and a drag in productivity.
- Russian economy faced contraction in 2022 due to wartime sanctions and higher focus on military spends. While EU has stopped the import of oil from Russia, the country has diverted production to other economies. Despite oil revenues, growth will slow down due to continuing global sanctions.
- Brazil has had faster-than-expected GDP growth due to agricultural expansion, despite a slowdown in the services sector, which accounts for 70% of GDP, and underperformance in the industrial sector. The Central Bank of Brazil has been raising interest rates to control inflation, which has so far had no effect on consumer spending due to a solid labour market. However, the job market's continuous expansion is not projected to continue, which will have an influence on consumer spending, and growth rates are expected to decline.

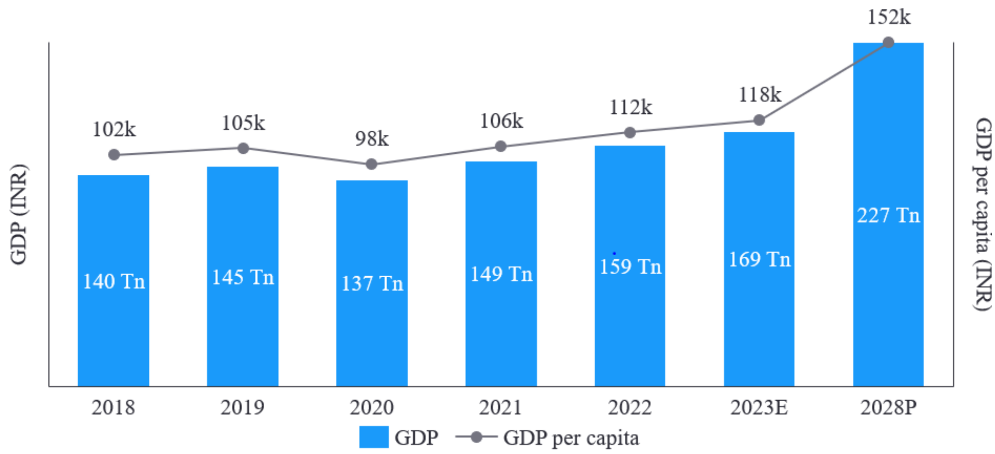
MACROECONOMIC OVERVIEW OF INDIA

GDP GROWTH FOR INDIA

Indian economy had a steady growth over the last few years with the GDP witnessing a compounded annual growth rate of 6.6% from 2010 to 2019. The global pandemic in 2020 led to a 5.8% contraction in the economy. India has recovered from the slump from the pandemic period, with ~7% growth in 2022 and an estimated growth of 6.1% in 2023. In 2022, the Indian economy overtook the UK economy to become the 5th largest in the world. The economic growth is driven by strength of services exports from India. Structural reforms of the government including higher FDI limits, focus on disinvestment have also supported the economy in the recovery post slowdown due to the pandemic.

India has been a major driver of global growth in the recent years, especially due to higher inflation and economic slowdown in major economies. With global supply chains getting back to the pre-pandemic order, International Monetary Fund (IMF) predicts that Asia will account for about 70% growth in the world in 2023 and India & China together will contribute towards 50% of global growth.

India GDP and GDP growth (2018-28)



Source: IMF World Economic Outlook database April 2023, World Economic Outlook Update July 2023
Note: GDP at constant prices (Base year: 2011-12)

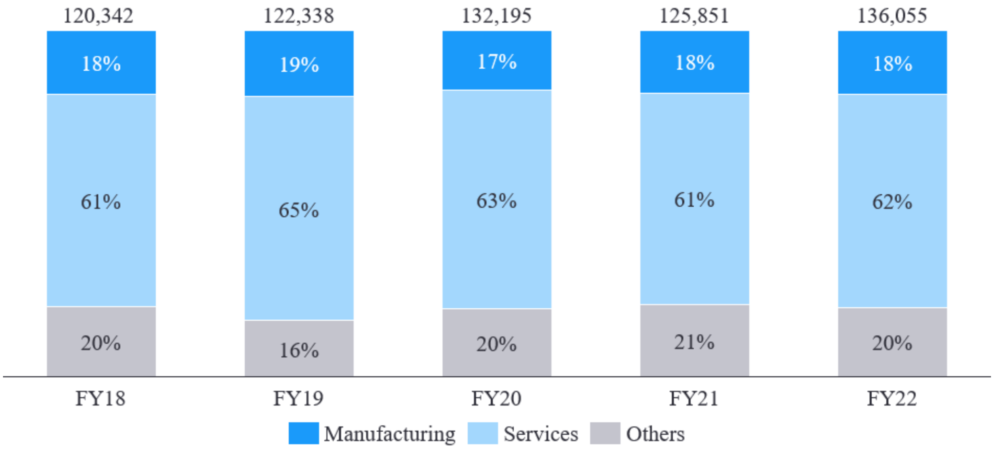
The outlook for the next few years is also positive for Indian economy with projected GDP growth of 6%. Various initiatives by the government including Atma Nirbhar Bharat, PLI schemes and higher government spending on infrastructure are driving economic growth.

INDIAN MANUFACTURING SECTOR

India has the potential to become one of the largest manufacturing hubs in the world. It has a large population base with growing income, considerably younger proportion of workforce and business friendly sector policies which provide the opportunity to become a global manufacturer. The World Economic Forum in 2021, identified that India's manufacturing sector can contribute to over US$ 500 billion to the economy in 2030.

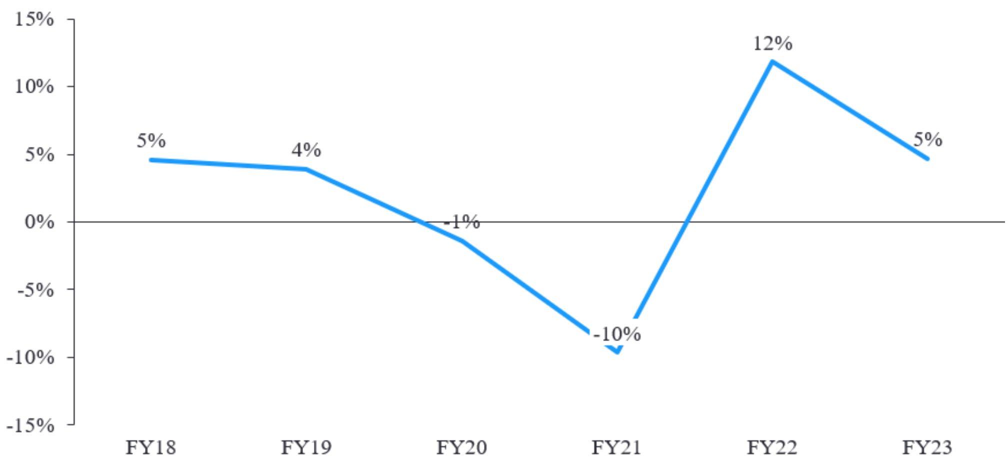
The country's manufacturing sector reportedly employs over 27 million people and the overall contribution of manufacturing to GVA is about 18%. The contribution of manufacturing to GVA has been broadly constant in the past few years, but the absolute GVA from manufacturing has been growing at a CAGR of 2.3% from FY18-FY22.

Contribution of manufacturing towards Gross Value Added (INR Bn) (FY18-22)



Source: RBI Handbook of Statistics on Indian Economy
Note: GVA at constant prices (Base year: 2011-12)
Index of Industrial Production (IIP) which is an indicator of mining, manufacturing and electricity production has gotten back to pre-pandemic levels. IIP witnessed an accelerated growth in FY22, mainly due to the lower base effect and recovery from FY21 pandemic levels. The manufacturing sector contributes to more than 75% of the IIP in India.

Growth rate of manufacturing IIP over the years (FY18-23)



Source: Ministry of Statistics and Programme Implementation (MOSPI), India accessed July 2023

For Indian manufacturing sector to pick up pace, the country must shift towards developing competency in niche manufacturing segments and move beyond pure-play cost-advantage. The sector also requires capital investments and strong government policies to attract global manufacturing companies to manufacture in India.

ENABLING FACTORS FOR INDIAN MANUFACTURING SECTOR GROWTH

Large corporations throughout the world are working on implementing a "China plus one" strategy, in which they explore possibilities for suppliers outside of China to diversify their supply chains and avoid disruptions caused by the COVID-19 outbreak or geopolitical conflicts. As a result, India now has the opportunity to exploit its industrial strengths and become a global manufacturing hub. India's recent success in the service sector, as well as repeating that success in the manufacturing sector, is critical for the country to create more employment and achieve balanced and sustainable growth.

The Government has recognized the need to promote domestic manufacturing and has been taking multiple initiatives to attract manufacturing investments and promote existing manufacturing capabilities.

India's new foreign trade policy 2023

Indian government has released a dynamic Foreign Trade Policy in 2023, with provisions for adaptable revisions and investor-friendly guidelines. The policy aims to be responsive and incorporate continuous feedbacks from the industry on necessary changes and upgrades. The new policy will focus on:

1. Incentives, tax breaks and remissions
2. Better trade through use of technology
3. Promotion of exports through collaboration of multiple stakeholders at exporter, districts, and state levels
4. Increased thrust for emerging areas such as e-commerce exports, developing export hubs across districts and streamlining the policy for SCOMET category of products. SCOMET stands for Special Chemicals, Organisms, Materials, Equipment and Technologies and refers to nine categories of products and technologies which have civil as well military applications such as nuclear materials, biological organisms, material processing equipment, aerospace systems etc.

In terms of infrastructure and access, there are efforts to promote internationalization of Indian Rupee and improving manufacturing infrastructure by creating additional 'Towns of Export Excellence,' with export promotion benefits. The government also plans to extend initiatives under 'Vivaad se Vishwaas' to reduce potential for litigations and promote trust among foreign investors.

Make in India

Indian government launched the 'Make in India' initiative in 2014 to boost local manufacturing and to make India a global manufacturing hub. The scheme involved focused investments to increase innovation and intellectual property, develop best-in-class manufacturing infrastructure and promote favorable policy initiatives. The scheme currently focuses on improving twenty-seven key sectors, fifteen of which are manufacturing sectors with tailored 'Action Plans'. The Department for Promotion of Industry & Internal Trade (DPIIT), which also manages 'Invest India' to facilitate foreign investments into the country, has chosen twenty-four sub-sectors (including automobile, chemicals, medical devices, auto-components, defence manufacturing, electronic systems etc.) to boost local manufacturing based on local competency, potential for import substitution, opportunities for export and potential for increased employment opportunities.

Atma Nirbhar Bharat Abhiyan

In the midst of the COVID-19 epidemic, the Government of India announced the Atma Nirbhar Bharat Abhiyan (or 'Self-reliant India') in May 2020. The campaign's principal goal was to recover from the economic impact of the pandemic and become self-sufficient on five key pillars: economy, technology-driven infrastructure, infrastructure, demand, and demographics. The Indian government unveiled a combined economic package worth INR 20 trillion (approximately 10% of India's GDP) to support a variety of projects aimed at benefiting enterprises, MSMEs, farmers, and the agriculture sector.

Reducing import dependence and promoting the growth of domestic manufacturing industry was one of the key emphases of the government in this scheme. Under Atma Nirbhar Bharat, the government also plans to introduce parameters for better quality of output to meet international standards so that Indian products can compete in the global market.

Production Linked Incentive (PLI) scheme

India introduced the PLI scheme in 2020 to promote domestic production through subsidies and encourage exports while cutting down on cheap imports. The scheme is available across fourteen key manufacturing sectors including specialty steel, telecom, auto components, drone components etc. It is designed to provide incentives which are linked to investment and turnover size. The government sanctioned over INR 1.9 lakh crore to be periodically utilized for the scheme.

Ease of doing business

India ranks 63rd in the 'Ease of Doing Business' ranking by World Bank. This is a massive improvement over its position just a decade back, when it stood at 142nd rank in 2014. The improvement in ranking is driven by simplification of the business ecosystem through government initiatives such as 'Make in India', 'National Single Window System (NSWS)' etc.

The government has been focusing on initiatives to empower India as an export destination and capitalizing on the opportunities arising out of global China plus one strategy. Thus, improving the overall ease of doing business in the country is a major milestone on the path towards manufacturing success.

AEROSPACE AND DEFENCE INDUSTRY

PRESENCE OF AZAD ENGINEERING LTD IN THE AEROSPACE & DEFENCE INDUSTRY

Azad Engineering Ltd. provides components to the aviation sector such as engine airfoils and other precision, forged and machined components. Azad Engineering Ltd.'s aerospace and defence products are largely utilized in commercial and defence aircraft, spacecraft, and other defence systems to provide propulsion, actuation, hydraulics, and flight control. These goods are used in both new builds and by Maintenance, Repair, and Overhaul (MRO) service providers.

As engine products are life critical, these components are engineered to work under harsh situations and have a “zero parts per million” defects requirement. The company has supplied critical components for various aircraft platforms such as B737, B737 Max, B747, B777, B777X, A320, A350, A355, A350 XWB, Gulfstream G550 and in discussions for supply of components for new engine platforms during the preparation of this industry report. The company has existing relationships with both Indian and global OEMs.

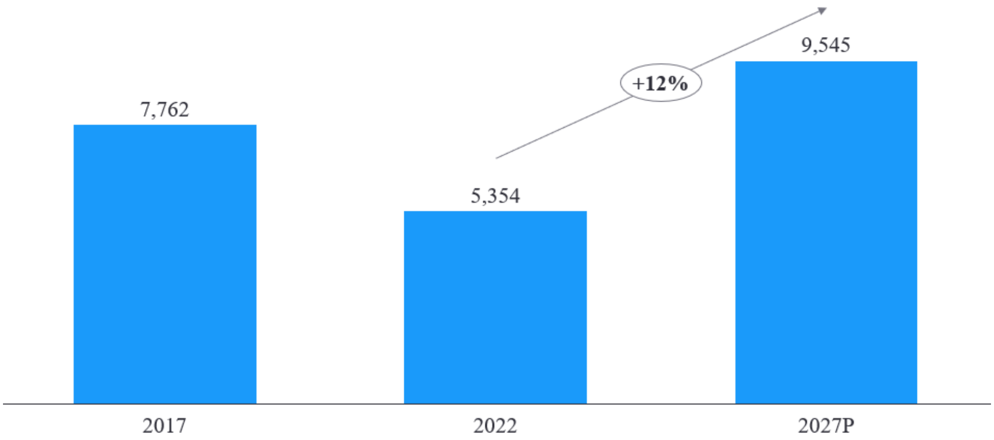
This section of the research examines the commercial and defensive aviation segments, as well as MRO, to provide an overview of the demand outlook and components used in the aerospace and defence sectors.

ASSESSMENT OF AEROSPACE INDUSTRY

Outlook for global passenger and cargo traffic growth

The commercial aircraft industry, which was facing significant headwinds post the pandemic, recovered in 2022 and 2023. The outlook for global air traffic is positive with Revenue Passenger Kilometer (RPK) expected to increase to 9.5 Bn by 2027, growing at a CAGR of 12%.

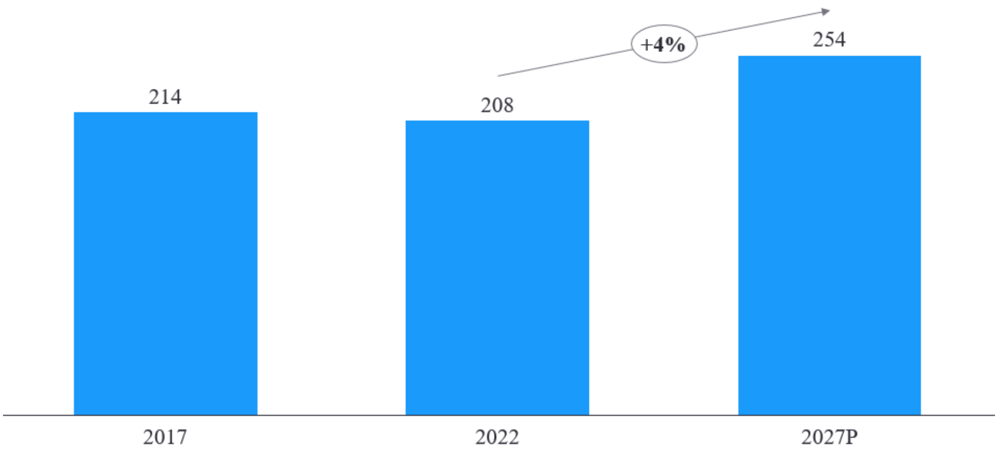
Global Revenue Passenger Kilometer (Mn) (2017-2027)



Source – IATA, World Air Traffic Forecast Boeing report 2022

Global air freight traffic has not changed much over the last few years. There was a drop of ~17% in 2020 due to COVID-19 pandemic, but there was a quick rebound in the next year.

Global air freight traffic (Bn-ton) (2017-2027)

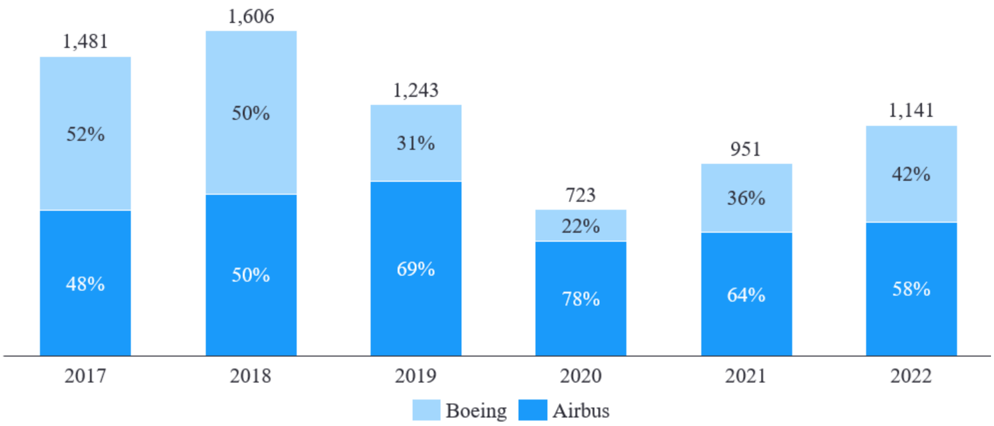


Source – World Bank Data- accessed July 2023, World Air Cargo Forecast – Boeing report 2022

Global passenger aircraft order book

The commercial aircraft market is dominated by The Boeing Company and Airbus SE, which together had 91% of the global commercial aircraft manufacturing market. A few other players like Pratt & Whitney, ATR, Bombardier, and Embraer also manufacture aircrafts, but they have a much smaller share. Newer players like China’s COMAC (Commercial Aircraft Corporation of China) and Russia’s Irkut Corporation have also emerged but are yet to make a mark.

Split of commercial aircraft deliveries between Airbus SE & The Boeing Company (2017-2022)



Source – Airbus SE and The Boeing Company websites accessed August 2023

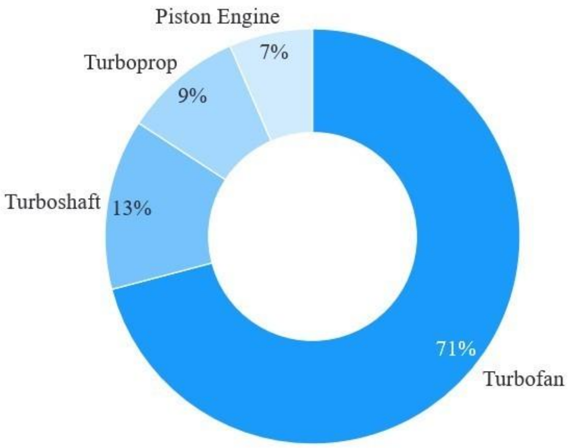
Airbus SE and The Boeing Company have an order backlog of ~12,000 units. Nearly 87% of these backlog orders were for narrow body aircrafts like Airbus A220, A320 and Boeing 737.

Different types of engines used in commercial aircrafts

The Turbofan engine stands as the dominant engine in commercial aircraft with a market share of 71%. It is followed by the Turboshaft and Turboprop engines, which hold smaller portions of the market at 13% and 9%, respectively.

Recent development in the aircraft engine is the emergence of a new turbofan engine. Developed by CFM International in 2008, LEAP engine is a type of turbofan engine and is one of the most efficient aircraft engines currently in operation. CFM International has a backlog over 10,000 LEAP engines. These engines power the NB aircrafts like Airbus A320neo, Boeing 737Max and the newly developed COMAC C919.

Market Share of Aircraft Engine by type (2021)



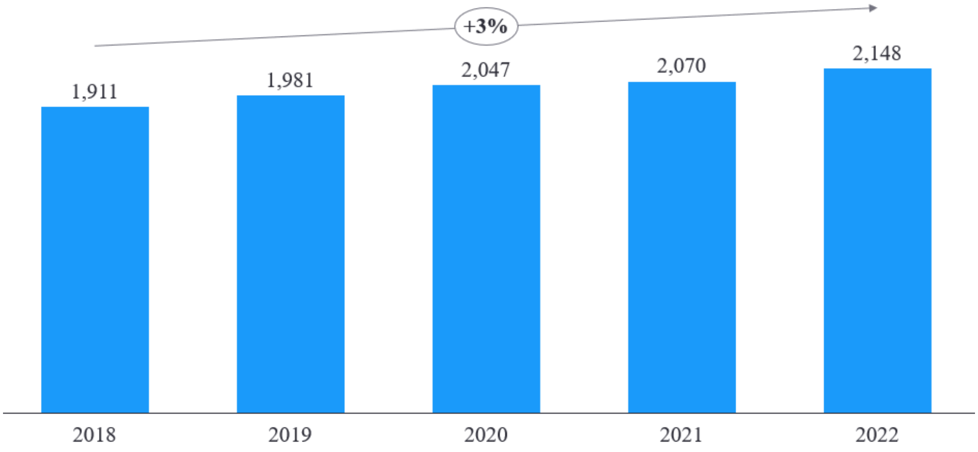
Source – Fortune Business Insights, 2021

ASSESSMENT OF DEFENCE INDUSTRY

Global defence sector outlook

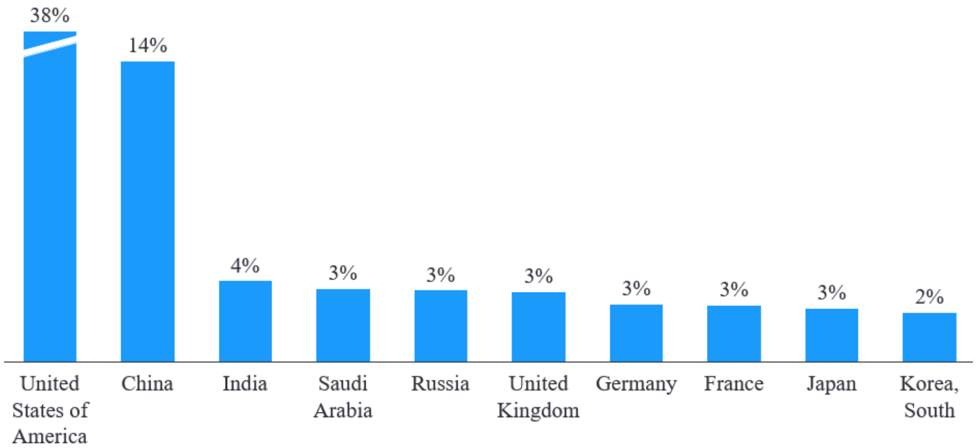
At US$ 2,148 Bn, the world spent about 2.1% of its GDP on military expenditure in 2022. The rise in global military expenditure was driven by the Russian - Ukraine conflict. As per SIPRI reports, the European region saw an increase of 13% in miliary spending due to the countries' spend on supporting Ukraine during the wartime with financial and military aid, modernizing own equipment to be 'war-ready' due to proximity to war zone, adding additional manpower and replenishing equipment provided to Ukraine. While Russia's military spend increased by over 9%, Ukraine's spending increased over 600% from its previous year and amounted to ~ US$ 44 Bn.

Global military expenditure (US$ Bn) (2018-22)



Source: SIPRI
Note: Includes SIPRI estimates of military spending for certain countries. All values at constant 2021 prices and exchange rates.

Top countries by value share of military expenditure in 2022



Source: SIPRI

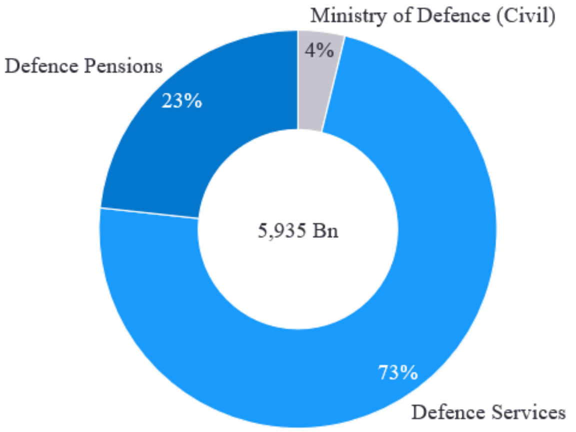
- USA has the largest defence spending in the world and has been growing at a CAGR of 2% over the last 5 years. As of 2023, the defence budget was US$ 816.7 Bn under the 'New Defence Strategy'. The United States is also the world's top exporter of major weaponry, accounting for 40% of total global exports between 2018 and 2022.
- China is the world's second largest defence spender, with an expected US$ 298 billion in defence spending in 2022. This amounts to approximately 4.8% of overall government spending and a per capita expenditure of approximately US$202.

India's defence industry

India ranks third in the world in terms of defence expenditure. India's military expenditure as a share of GDP has been consistently around 2.5% over the last 5 years. India's per capita spending on defence is about US$58, which is the lowest among the top defence spending nations, but the per capita spending increased at a rate of 3.4% from 2018 to 2022. As per SIPRI estimates, Indian government allocates about 8.3% of its total spending towards military expenditure.

Indian Government's Union Budget of FY24 allocated INR 5,93,538 Cr towards Ministry of Defence (MoD). The MoD budget in India is split across defence services, MoD civil services and pensions. Defence services expenditure is the largest segment accounting for 73% allocation of the annual defence budget in FY24.

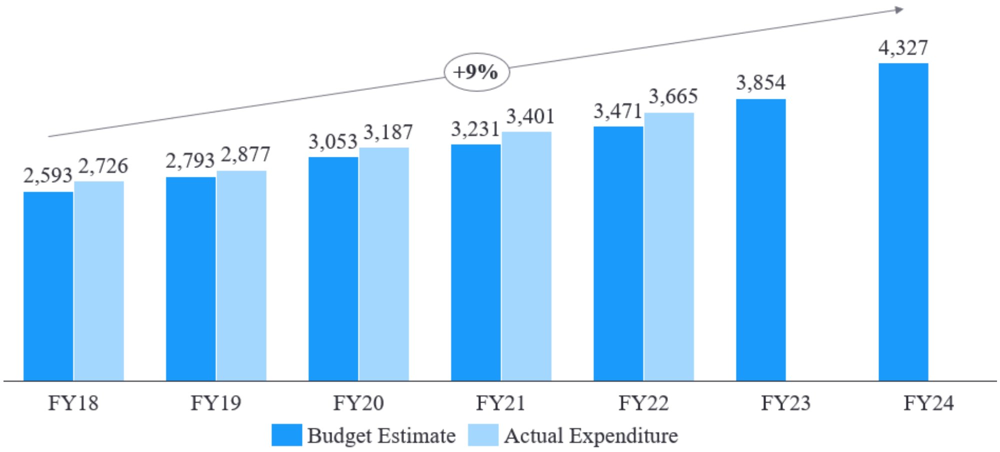
Allocation of Ministry of Defence budget in FY24



Source: Ministry of Finance, Union Budget
Note: Defence services includes both revenue and capital outlay expenditures

India has been increasing the allowance for defence services over the years and the actual spent has been consistently higher than the initial estimate of the budget over the last 5 years.

Defence services budgeted and actual expenditure over the years (INR Bn) (FY18-24)



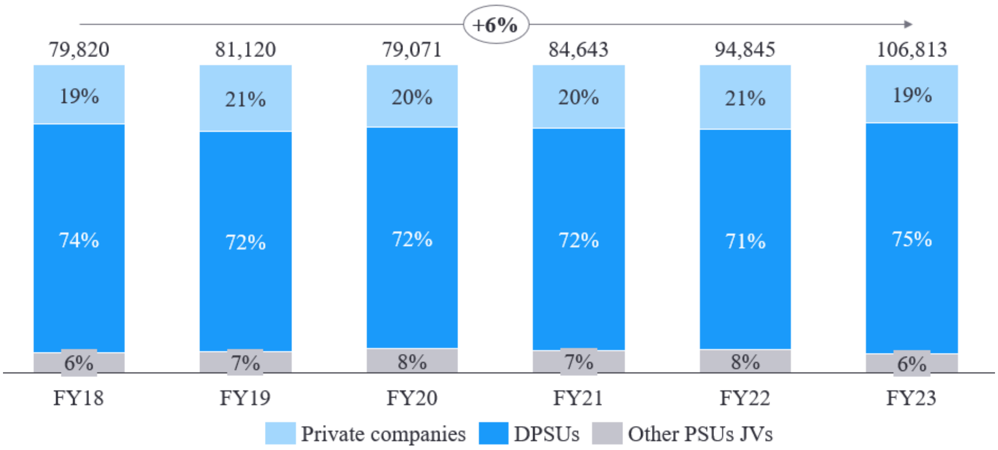
Source: Ministry of Finance, Union Budget
Note: Budget estimates mentioned for FY23 and FY24; includes both revenue and capital outlay expenditures

Trends in defence production in India

Although India has a wide system of defence PSUs, ordnance factories and private players in defence manufacturing space, India is highly dependent on imports for its advanced military equipment. The country has consistently ranked among the top importers of major arms. According to SIPRI, India ranked first in the world in terms of major arms import during 2018-2022 period with a 11% share in total global imports.

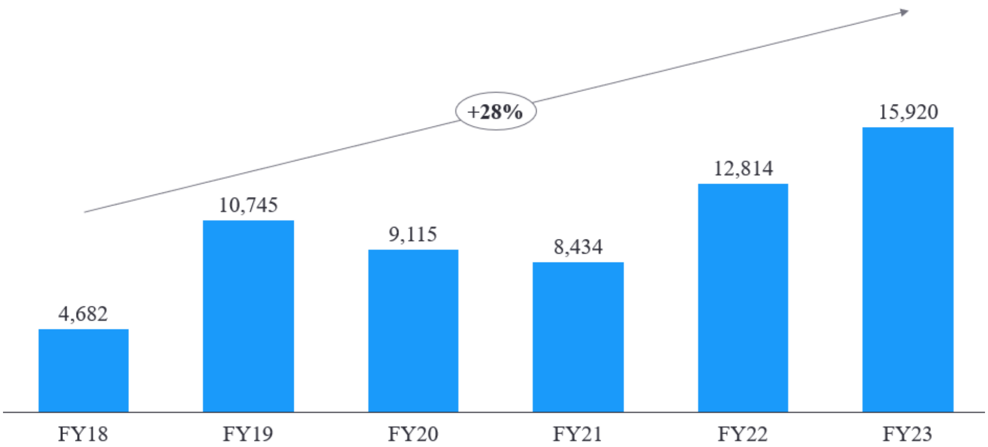
To boost local manufacturing and reduce dependence on imports, the Indian government recognized defence segment as a core sector for achieving ‘Atma Nirbhar’ in 2020. The scheme pushed for reforms across verticals and adequate funding to achieve ‘self-reliance’. Post the launch of the scheme, defence production has grown at 12% between FY21 to FY23 and defence exports by 37% in the same period.

Trends in defence production in India (INR Cr) (FY18-23)



Source: Ministry of Defence, Dept. of Defence production dashboard accessed July 2023

Trends in value of Indian exports (INR Cr) (FY18-23)



Source: Press release from Ministry of Defence in PIB, dated 01 April 2023

Summary of Defence Acquisition Procedure (DAP)

The Indian government released a draft Defence Acquisition Procedure (DAP) in 2020 aimed to increase 'self-reliance' by boosting domestic production and indigenization, promoting import substitution, cutting-down the gestation period and hastening up of defence procurement. The draft DAP has been accepted and is amended periodically to reflect India's evolving defence production needs and requirements.

Key measures under this policy include defining the 'Make III' category to promote import substitution, introduction of a new 'Buy (Global- Manufacture in India)' category to encourage entry of foreign manufacturers into India for manufacturing, maintenance and provision of spare parts and notification of 'Positive Indigenization lists' to encourage domestic development of equipment / technology and discourage imports.

Initiatives to promote Atma Nirbhar Bharat in the defence sector

For India to achieve self-reliance in the defence sector, 'Make in India' and 'Atma Nirbhar Bharat' schemes have pushed for initiatives across the value chain and have allocated resources to meet the target of US$ 5 Bn from exports by 2025 with a defence sector size of US$ 25 Bn as envisioned by the government.

As a result of the push for indigenization, domestic manufacturers were awarded procurement contracts worth INR 6,300 Cr in 2022 by the government.

The 'Make in India', DAP and Atma Nirbhar policies together have promoted the participation of Indian conglomerates and private players in partnerships with global manufactures in the Indian defence manufacturing space.

AEROSPACE AND DEFENCE COMPONENTS OVERVIEW

Different segments in the aerospace market

Aerospace market includes:

1. ***Commercial & general aircrafts:*** Commercial aircrafts are used for the purpose of transportation of passengers & cargo for commercial reasons. This market is highly concentrated with duopoly of The Boeing Company & Airbus

SE.

2. ***Military aircrafts:*** These are used for defence purposes. These aircrafts are fully equipped with equipment to support combat operations. These are specifically designed for different purposes. These are equipped with latest technologies, radar systems & weapon systems. These include combat & non-combat aircrafts.

   a. ***Combat aircrafts:*** These include aircrafts like fighters, bombers, attack aircraft, electronic warfare, maritime patrol, multirole etc.

   b. ***Non-combat aircrafts***: These include aircrafts like military transport aircraft, airborne early warning & control aircrafts.

Key components used in the aerospace & defence

An aircraft typically consists of three key components: Outer structure, engine, and operational systems.

1. ***Outer structure***: The outer structure of an aircraft consists of the following four main parts:

   a. ***Fuselage***: This is the main part of the aircraft, the long hollow tube that forms most of the aircraft. This is the part where cargo, cabin crew, passengers, & pilot are seated. It also includes the cockpit.

   b. ***Wings***: Airplanes have fixed wings, whereas helicopters have rotating wings, wings perform the important function of lift in the aircraft. Wings have two parts: flaps and ailerons, ailerons are used to control the rotation around the front-to-back axis of the aircraft, whereas flaps are used to provide lift & drag to the airplane.

   c. ***Empennage***: They work to guide the aircraft to reach its destination and includes the complete section of tail of the aircraft. The rudder helps steer the aircraft.

   d. ***Landing gear***: The landing gear is the part of the aircraft that aids landing, take-off & taxi for the aircraft. It is an integral part of the aircraft. Retractable gears are also present in some of the fast aircrafts. The landing gear absorbs the shock while pilot performs landing of the aircraft.

2. ***Engine***: Part of the propulsion that move the aircraft forward by exerting thrust. A jet engine includes the below mentioned parts:

   a. ***Fan***: The key responsibility of airfoils in this section is to suck in air which splits into two parts. The first part of the air passes through the engine core, whereas the second part completing skips the engine core and enters a duct (which is encompassing the core and back of the engine) to provide thrust to the jet engine.

   b. ***Compressor***: In the compressor section, airfoils squeeze the air entering into the engine core to increase its pressure. This results in a high potential energy of air and then pushed into the combustor. The compression ratio between inlet and outlet pressure determines the thrust and efficiency of the engine so the compressor components are highly critical to maintain the optimum compression ratio.

   c. ***Combustor***: The combustor, manufactured from ceramic materials can withstand the temperatures as high as 2,700 degrees Celsius. This is the location where fuel and air get mixed. This results in ignition of the engine. The fuel burns in tandem with the presence of oxygen in the pressurized air.

   d. ***Turbine***: Blades of a turbine move when air which is highly energized enter the turbine. The fan that is present in the front of compressor moves via the movement of the turbine shaft. The turbine moves the air through the engine, and it is the force with which the turbine moves the air which provides the aircraft with the required thrust. Hence component criticality is of prime importance.

   e. ***Nozzle***: It is responsible to push the plane in a particular direction.

3. ***Operational Systems***: Systems that are required in an aircraft for its proper functioning. Some of the important systems within the aircraft are listed:

   a. Avionics Technology

   b. Engine control systems

   c. Flight control systems

   d. Pneumatic systems

   e. Hydraulic systems

   f. Rotary wings systems

   g. Fuel System

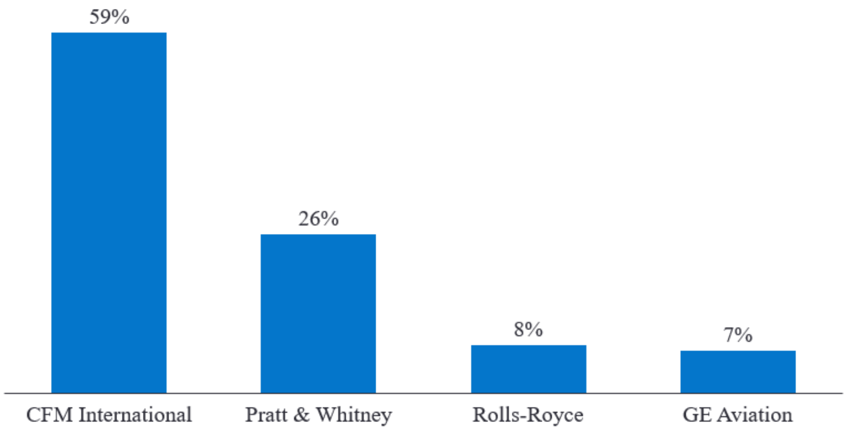
   h. Environmental control system

Aircraft engine and other part manufacturers

Aircraft engine manufacturers and their share

CFM International (JV of GE Aerospace and Safran S.A.) is the market leader with 59% share followed by Pratt & Whitney with 26% share, as per 2021 engine deliveries.

Aircraft engine manufacturers market share (%) based on 2021 deliveries



Source: Commercial Engines by Flight Global
Note: Data is for 2021 deliveries

Passenger aircraft engines in service by manufacturers (2022)

Manufacturers	Number of Engines
GE Aerospace & its JVs	40,900
Pratt & Whitney	12,730
Rolls-Royce	12,700

Source: GE 2023 Investor Conference Report, Rolls Royce annual report, Pratt & Whitney Website
Note – GE Aerospace and its JV include GE, CFM International and Engine Alliance

Other key manufacturers of aerospace components

Apart from the engine manufacturers in the aerospace ecosystem, it also includes following players:

1. ***Original Equipment Manufacturers***: Manufacturers like The Boeing Company, Airbus SE that design, build & assemble the complete aircrafts.
2. ***Avionics & Electronics Suppliers***: Companies like Honeywell International Inc. that specialize in building avionics & electronic subsystems.
3. ***Other subsystems***: Components and parts manufactured by vendors such Eaton Corporation Plc which provide power management solutions, hydraulic systems and more to the OEMs.

List of key manufacturers in aerospace & defence segment

Azad Engineering Ltd. supplies components to 6 manufacturers in the aerospace & defence segment mentioned below (The Boeing Company, Airbus SE, Collins Aerospace, Eaton Corporation Plc, GE Aerospace, HAL, Honeywell International Inc., Lockheed Martin Corp., Safran S.A.).

ENERGY INDUSTRY

PRESENCE OF AZAD ENGINEERING LTD. IN THE ENERGY INDUSTRY

Azad Engineering Ltd.'s key customers are in the power and industrial turbine industry. The company supplies precision, forged and machined components for energy turbines (which are used in industries & power plants with different fuel types such as gas, nuclear and coal). The company provides precision, forged and machined airfoils and other special machined parts (SMP) and hence is a key link in the global supply chain for customers in the industry. These components are high precision components and are mission critical & hence, have a "zero parts per million" defects requirement.

The company has developed manufacturing capability to deliver solutions which have helped clients and has supplied to both Indian and global OEMs many of which are leaders in their respective sectors. In FY23, the company has supplied to the customers which control approximately 70% of the gas turbine market (based on 2022H1 orders) globally. Airfoils contribute to majority of the sales for the company. Other than this, the company also supplies other special machined components for energy turbines. Azad Engineering Ltd. has witnessed an increase in its market share for airfoils in the period 2017-22. The company has over 15 years of experience as a Tier I supplier of high precision components for energy industry. The demand for these products is driven by the orders for these components in either new energy turbines (industrial & gas, nuclear and coal power plants), or the service market. The demand for both in turn is driven by energy consumption and growth in energy demand.

This section of the report covers the assessment of energy industry (including coal, gas, and nuclear power) along with an overview of the energy turbine market.

ASSESSMENT OF ENERGY INDUSTRY

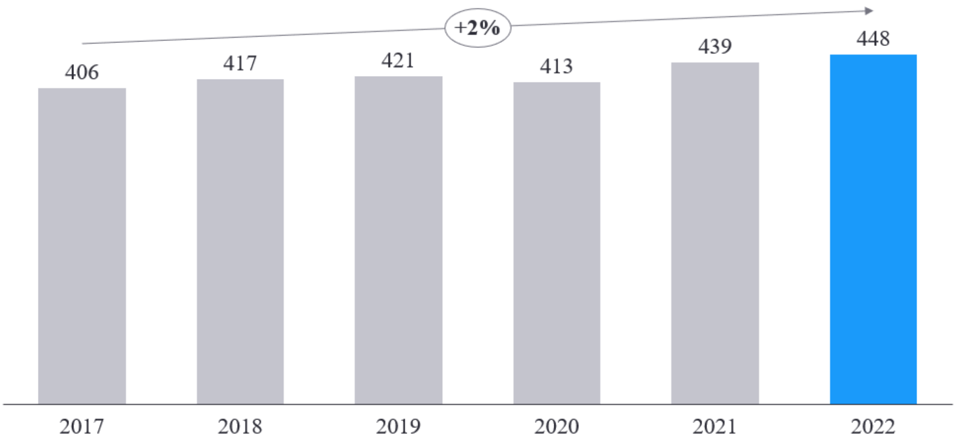
Global energy consumption review and outlook

<u>*Overview of global energy consumption*</u>

There has been a steady increase in energy consumption, which is rebounding from setback due to COVID-19 pandemic.

Over the last 5 years, the global energy consumption has witnessed a steady upward trend with annualized growth rate of ~1.8% from 2017-2022, driven by macroeconomic factors such as increase in income levels, urbanization, and industrialization. Even though energy consumption growth slowed down in 2022 (about 2%) as compared to 2021 (about 7%), that was primarily a result of lower base in 2020 due to temporary reduction resulting from the COVID-19 pandemic.

Global total energy consumption (EJ), (2017-22)



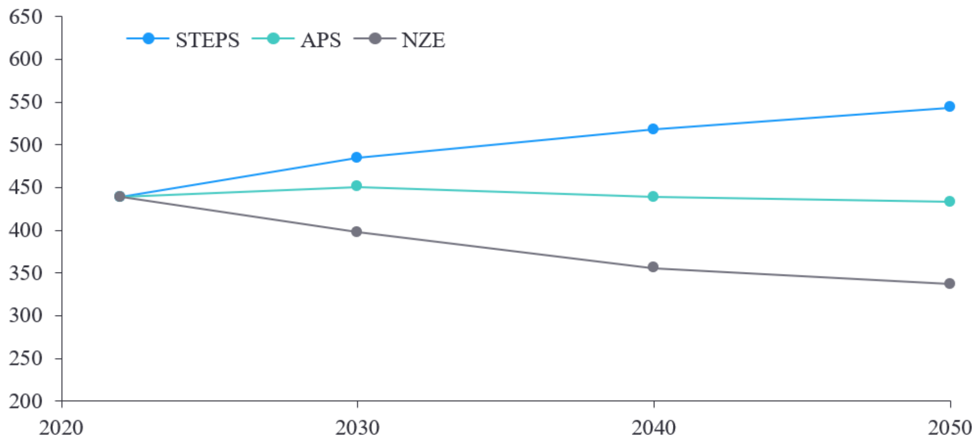
Source: IEA World energy outlook, dated October 2022, Enerdata, accessed August 2023

<u>*Global energy demand outlook*</u>

International Energy Agency ("IEA") has created three scenarios for the energy demand outlook based on the policies and actions of the governments. These scenarios estimate the outlook assuming different possible cases. The primary difference is the overall mix of energy and share of renewables within the final energy consumption mix. The scenarios are described below:

1. ***States policies scenario (STEPS):*** It projects the outlook based on current policies of the government and is the most conservative scenario (when compared with the other two cases). It takes into consideration the existing policies as well as the policies already under progress.
2. ***Announced Pledges scenario (APS):*** This is the base case where the countries meet all the targets set by the government for long term (2050) and well as 2030. All the commitments will be met fully as per the assumptions in this case.
3. ***Net Zero emissions by 2050 scenario (NZE):*** The most optimistic scenario is net zero case. The projections set by this case are challenging but will have the highest impact on net carbon emissions moving forward and target zero emissions by 2050.

Global energy demand forecast scenarios (EJ)



Source: IEA World energy outlook, dated October 2022

In the STEPS scenario, it is estimated that the energy consumption will reduce by roughly 0.5% each year in the developed countries. However, in the developing countries, there will be a slight increase in energy demand by around 1% annually.

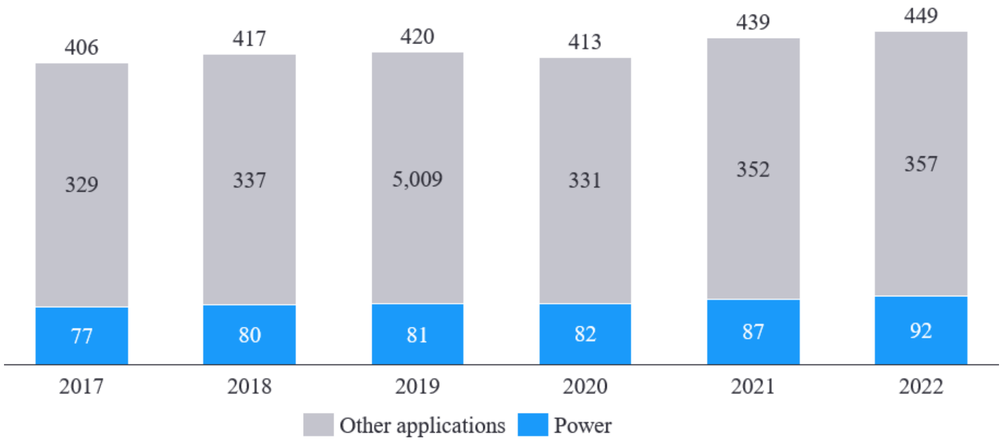
In the Announced Pledges, consumption of fossil fuel will be roughly 80% of the consumption under the STEPS scenario by 2030. In APS scenario, renewable power demand is projected to rise faster. NZE scenario takes a more conservative outlook of total energy consumption however renewable energy will account for the maximum share of power within the total mix.

Global power consumption review and outlook

Historical power consumption trends

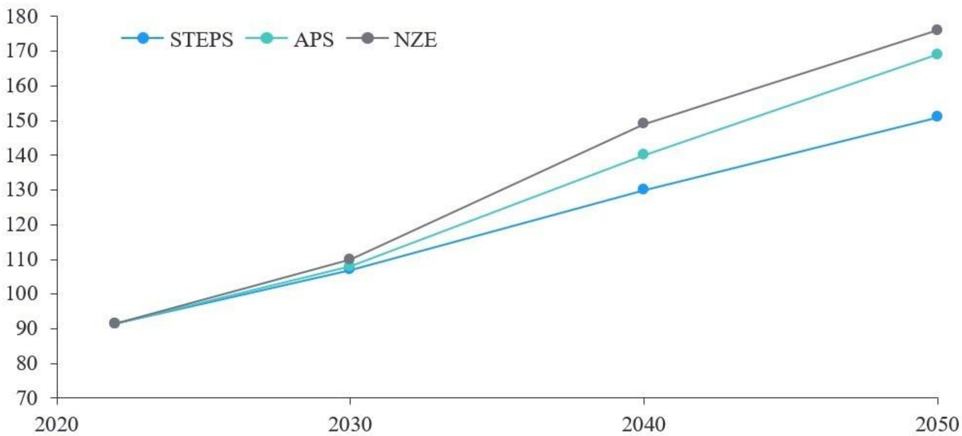
Electricity makes up for about a fifth of the global total final energy consumption. Global electricity consumption was roughly 92 EJ in 2022 with an increase of around 5% (relatively lower than the 6% growth in power consumption in 2021). Increase in power consumption in 2021 was the highest since 2010 majorly driven by COVID-19 pandemic recovery of many economies.

Global power share within overall energy consumption (EJ), (2017-22)



Source: IEA World energy outlook, dated October 2022, Enerdata, accessed August 2023

Global power consumption outlook scenarios (EJ)



Source: IEA World energy outlook, dated October 2022

Global power generation and capacity overview

The share of unabated fossil fuels in electricity production fell from about 65% in 2017 to 62% in 2022. The share of renewables has been on a consistent rise in overall mix of power generation, specifically share for solar and wind power. This increase is majorly due to the present market conditions and challenges faced globally. After the lifting of restrictions due to COVID-19, markets experienced a sudden rise in demand which provided an upward boost to price of energy. There was further rise in prices due to Russia – Ukraine war. Due to this, some countries returned to coal power generation, however this return is expected to be short term. Additionally, few countries have initiated and shown rapid progress in their targets to reach net zero emissions by reducing the dependency on power generation from fossil fuels.

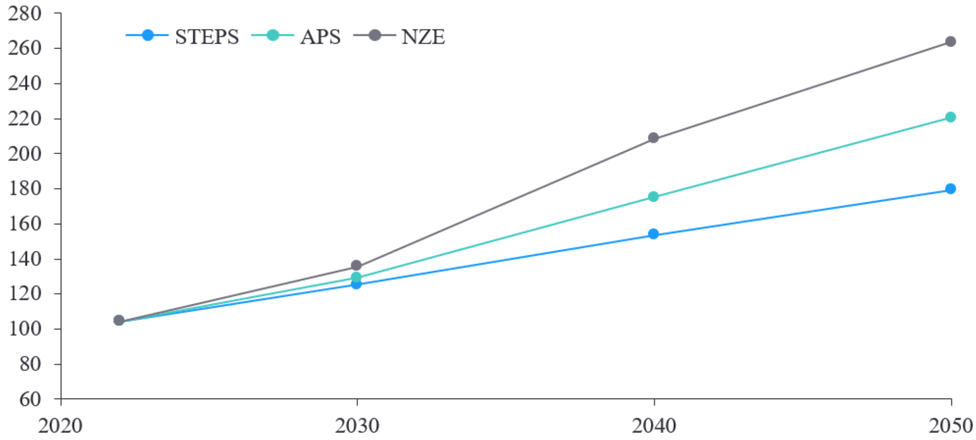
Global power generation (EJ), (2017-22)

Fuel	2017	2018	2019	2020	2021	2022
Coal	35.5	36.4	35.5	34.1	36.7	37.4
Renewable	22.9	24.5	25.8	27.8	29.0	30.8
Natural gas	21.1	22.0	22.7	22.5	23.6	23.5
Nuclear	9.5	9.8	10.0	9.7	10.0	10.4
Others	3.5	3.0	3.0	2.7	2.7	2.2
Total	92.4	95.8	97.0	96.3	102.0	104.4

Source: IEA World energy outlook, dated October 2022

Similar to the trends in power consumption, it is expected that there will be rise in electricity generation across all the three cases of IEA. However, the mix of energy used for this generation is highly dependent on the policies and decisions of the policy makers. Additionally, overall geographic conditions and global events are also expected to impact this energy mix. As per the NZE case of IEA, power generation is projected to increase by more than 150% by 2050.

Global power generation outlook scenarios



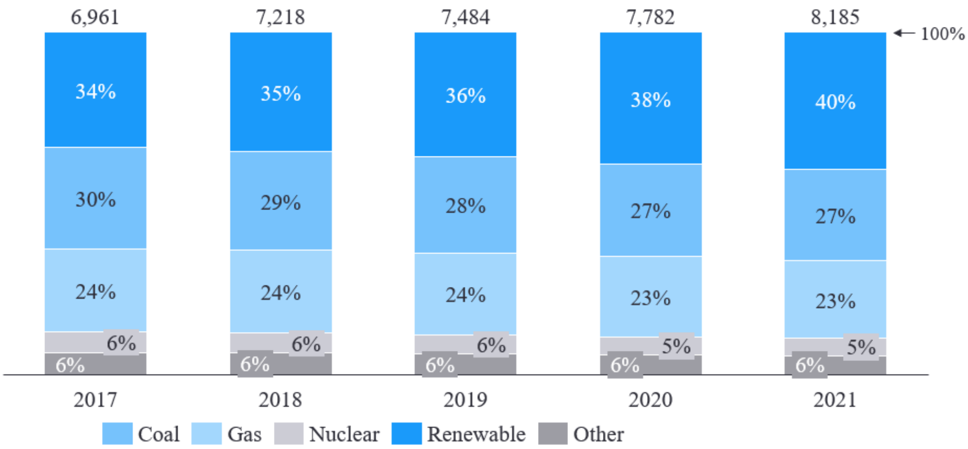
Source: IEA World energy outlook, dated October 2022

Dependency on fossil fuels for power generation is expected to reduce. There is a significant variation in the usage of renewable energy for power generation across different IEA scenarios (STEPS, APS and NZE). However, the share of nuclear is expected to remain constant at 10% in all the three cases.

1. ***STEPS*** – The share of renewables is projected to rise to about 43% by 2030 and power generation using fossil fuel generation will fall to 47%.
2. ***APS*** – Power generation using renewable energy is projected to make up almost 50% of the power in 2030 with power generation using fossil fuels expected to fall to roughly 40%.
3. ***NZE*** – The biggest jump in renewables is projected in NZE where renewables and nuclear make up for about three quarter of the total power generated by 2030 and fossil fuel-based power generation falls to 26%.

The global capacity for power generation stood at 8,185 GW in 2021, a growth of 5% over 2020. The current capacity is dominated by fossil fuel-based power plants with share of renewables being about 40%. The principal factor however is how this capacity mix has been evolving. The share of coal and oil combined has declined from 54% in 2017 to about 50% in 2021 while the share of renewables has increased from 34% to 40%. As per IEA, there are about 175 GW worth of coal-fired power plants that are currently under construction.

Global power generation capacity (GW), (2017-21)

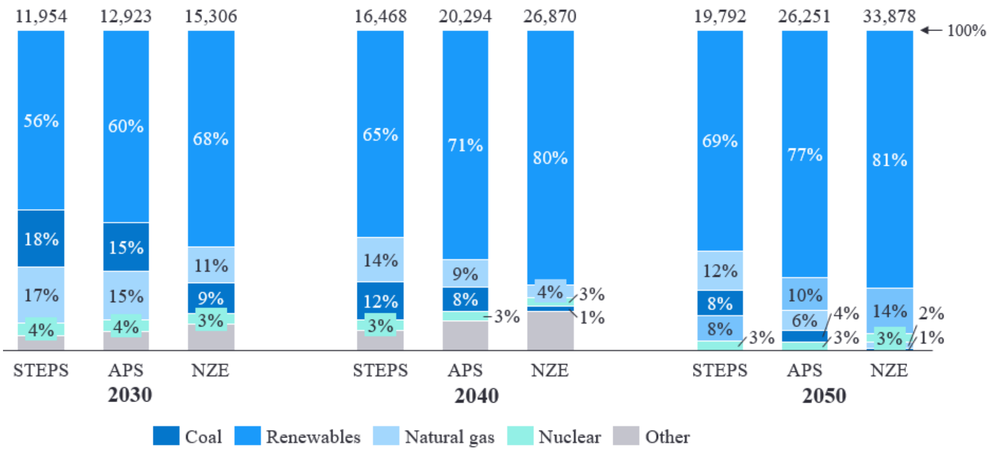


Source: IEA World energy outlook, dated October 2022

The projections for total capacity as well as capacity mix varies considerably across the three scenarios:

1. ***STEPS*** – Capacity for coal-based power generation (which is under development at present) is expected to continue growing in the near future and reach its highest by 2025, after that, it will start to decline. Share of coal within the power generation capacity is expected to fall to 8% by 2050.
2. ***APS*** – APS projects the share of coal to decline to 15% by 2030 and further reduce to less than 5% by 2050. Capacity for natural gas power plants is also projected to fall to about 6% by 2050 with renewables accounting for 77% by 2050. IEA estimates there will be an average addition of 18 GW each year in the nuclear power generation capacity by 2050.
3. ***NZE*** – Net zero takes the renewable capacity all the way up to 60% by the end of this decade and 81% by 2050. The capacity for gas and coal combined falls to less than 5% by 2050. NZE projects an average of 24 GW capacity addition for nuclear plants per year leading up to 2050.

Global power generation capacity outlook scenarios - split by fuel (GW)

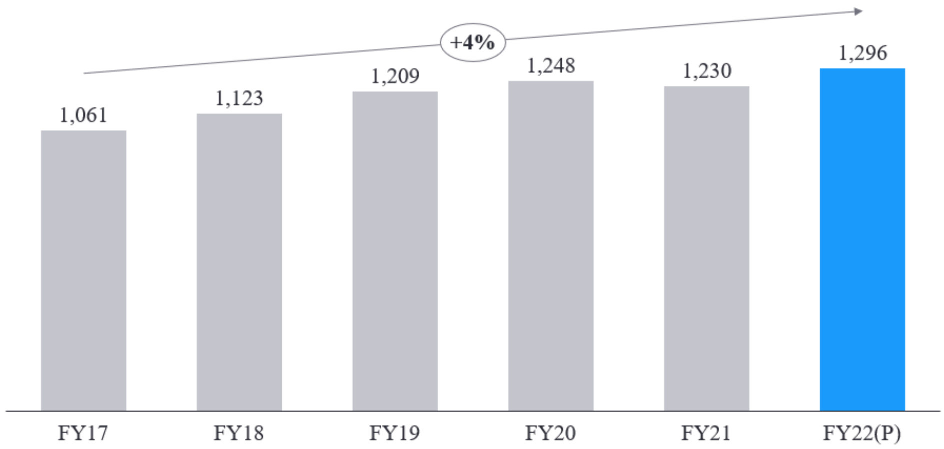


Source: IEA World energy outlook, dated October 2022

India's power consumption and demand outlook

Presently, the Indian electricity consumption is about 1,296 TWh, a 4% compounded annual growth from FY17. This growth rate is almost two times of the global consumption growth. There was a decline in demand in 2021 owing to COVID-19 pandemic. The rate of consumption of power is increasing, with India ranking third globally. Nearly 3/4th of the demand is still dependent on the conventional sources of fuel.

India's power consumption (TWh), (FY17-22)



Source: CEA, MOSPI Energy statistics India, dated March 2023

Per-capita consumption in India is 1.3 MWh in FY22 as per CEA which a significant increase from about 0.63 MWh per capita in 2005. There is a huge opportunity to further increase this consumption as the global per capita consumption was 3.2 MWh in 2021.

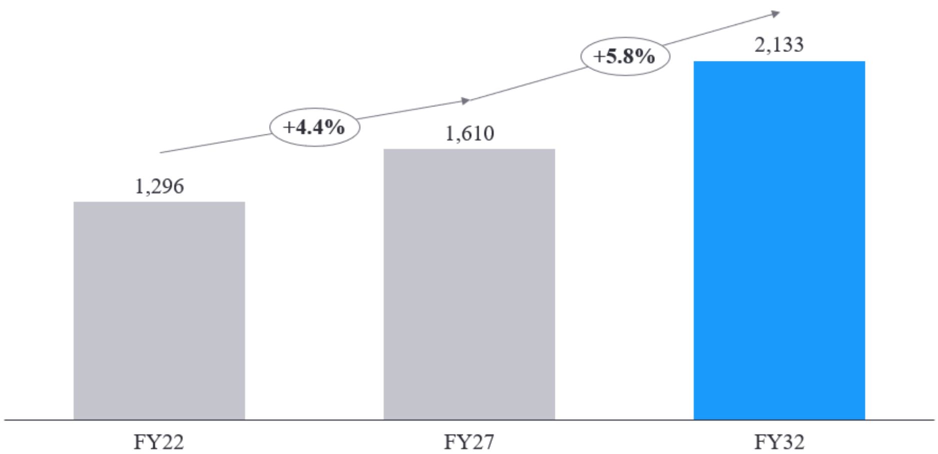
India's per capita power consumption (MWh) trend, (FY18-22)

Source: CEA National electricity plan, dated March 2023, IEA World energy outlook, dated October 2022

India's demand forecast and growth drivers

India has been an economy where services sector has contributed to majority of GDP, but services sector consumes comparatively lesser power. Moving ahead with the developing industrial sector, growth in population and increasing urbanization, India's power demands will go up. The potential to push demand is high led by infrastructural development that India's future beholds. The consumption according to CEA estimates would reach 1,610 TWh in the next 5 years & reach 2,133 MWh by FY32. The growth rate over the next 5 years would be 4.4% & further from 2027-2032 the CAGR is expected to be 6%, a growth rate thrice the global average.

India's power consumption outlook (TWh), (FY22-32)



Source: CEA Electric power survey India, dated November 2022

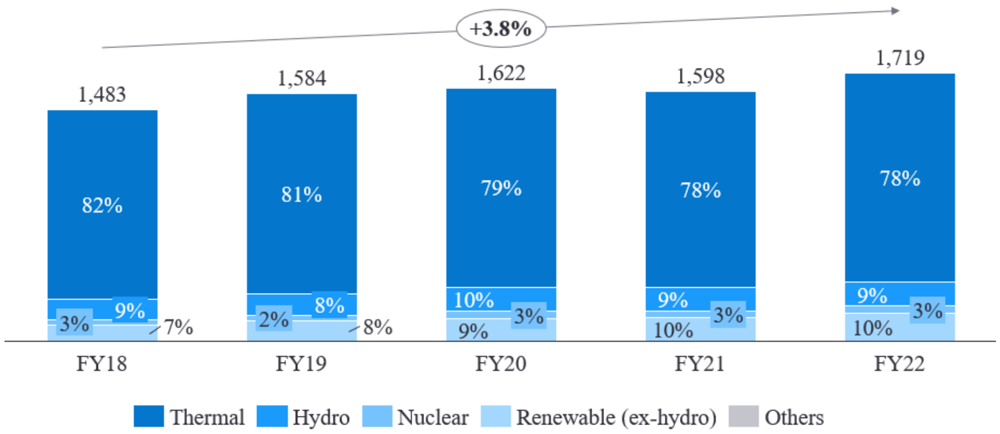
Rural development would lead to shift in consumption of solid biomass which will be replaced with electricity by 2040. All these factors will push the residential sector share of demand to three times.

India's power generation review and outlook

<u>Power generation in India</u>

As per CEA, India's current power generation stands at about 1,719 TWh, growing at about 3.8% CAGR from FY18 to FY22. The generation growth is in line with the fast-growing demand. Ministry of power has taken significant initiatives to drive power generation in India and move India to a power surplus nation. Significant strides have been made by the government to connect the whole country onto one grid and to boost electrification in Indian households.

India's power generation (TWh) – split by fuel, (FY18-22)



Source: CEA, MOSPI Energy statistics India, dated March 2023

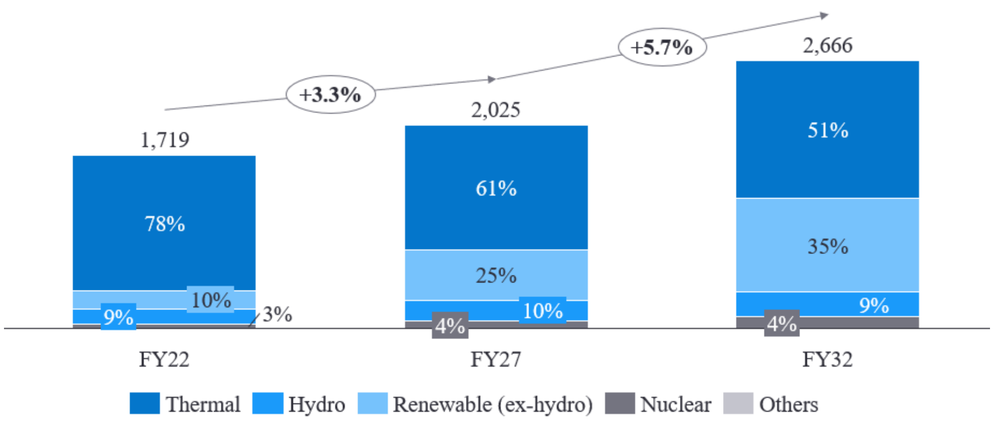
<u>India's power generation outlook</u>

The generation capacity has been dominated by usage of fossil fuels, although there is a constant awareness & push towards renewable sources. And, despite India being a developing nation, it has made strides towards clean energy transition and net zero emission.

Post the commissioning of the ongoing coal-power based projects, it is expected that the demand for coal will slow down. As per IEA, the share of coal in overall generation of power would go down once it reaches its peak in 2040.

According to IEA, the share of coal in India's energy mix would decline from 44% in 2019 to 34% in 2040, despite this coal-fired power will form most of the power generation (75% in FY22 as per CEA) in the country. In absolute terms, given that the entire rising demand of power cannot be met by renewable sources, coal-based power generation would slightly pick up. Although according to CEA, the share of thermal power plants would become 50% by FY32.

India's power generation outlook (TWh) – split by fuel, (FY22-32)



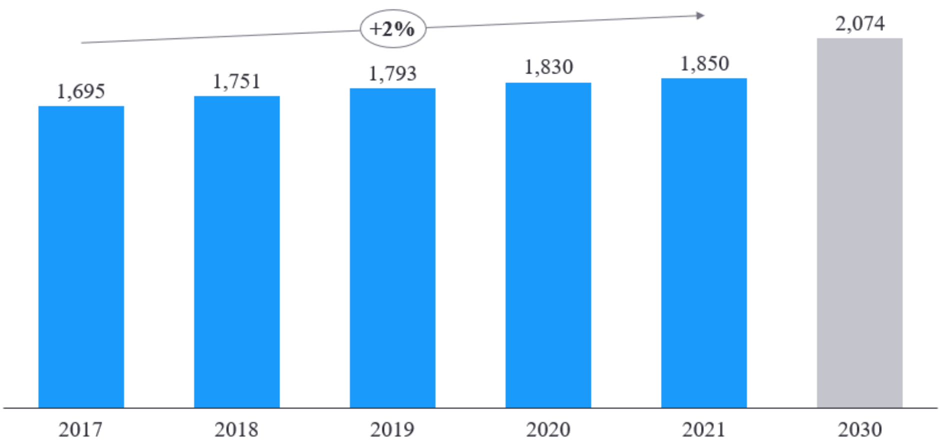
Source: CEA, National electricity plan, dated March 2023

Assessment of Gas Energy industry

Global gas power plant capacity & expected capacity additions

Global gas production capacity in 2021 was 1,830 GW growing at a rate of 2% vs 2017. By 2030 based on the STEPS scenario of IEA, the capacity is expected to reach 2,074 GW.

Global gas power generation capacity 2017-30, GW



Source: IEA World Energy Outlook, dated October 2022
Note: Estimated capacity of Natural gas for 2030 is basis Stated Policies Scenario of IEA

IEA predicts that by 2030, the demand of gas will increase by 2% over 2020, majority of this demand would be driven by the rising requirement of electricity in emerging economies. Further the relevance of gas power stations in advanced economies is already going up given lower cost factor & lower carbon emissions.

Key global trends in gas power

1. ***Natural Gas as a bridging fuel***: Natural gas is referred as a transitional or bridging fuel to reduce carbon-di-oxide emissions. Being a fossil fuel, it produces lesser emissions when compared to oil or coal. This has led to the belief that it can be used as a replacement fuel to the other fossil fuels & nations can continue using fossil fuels for long.
2. ***Usage of advanced technologies:*** The utilization of natural gas can contribute to CO_2 emission reduction by substituting more carbon-intensive fuels in power generation and industrial processes. Gas powered power stations offer a method for more cleaner, efficient & flexible way to generate power and can also be combined with renewable fuels such as Hydrogen.
3. ***Realignment of Supply Contracts***: The supply chain disruptions made European Union enter discussions with Qatar for long term supply contracts, with Germany entering a 15-year long contract with QE (Qatar Energy) to supply LNG, 2 Mn Tons of LNG annually starting from 2026. It is noteworthy that Germany is EU's largest gas market. This deal comes post Qatar Energy signed five deals for the North Field Expansion project that aims at expanding Qatar's liquefication capacity from 77 Mn Tons to 126 Mn Tons.

Overview of India's gas energy industry

India's power needs are ever increasing as more development activities are being undertaken. Within the energy landscape of the country, its gas power capacity is crucial, it includes both natural gas and LNG based power plants. These plants utilize natural gas as a primary fuel, and they have various environment benefits over coal & oil such as lower emissions & higher efficiency. These gas-based power plants fit well in the country with peak load demands & the renewable mix for fulfilling the power demands.

India's gas power generation capacity

In recent years, India has witnessed a surge in gas power capacity additions with existing gas-based power plants being modernized and new projects being initiated to enhance the country's energy infrastructure. Notable projects include the expansion of existing LNG terminals, the establishment of new regasification facilities, and the introduction of advanced gas turbine technology for improved efficiency.

Current gas-based power plants capacity in MW

Region	Sector	Capacity in MW
All India	State	7,087
	Private	10,574
	Central	7,237
	Sub Total	24,899

Source: CEA Installed Capacity Report
Note: Data as of 30.04.2022

Global nuclear power generation capacity and expected additions

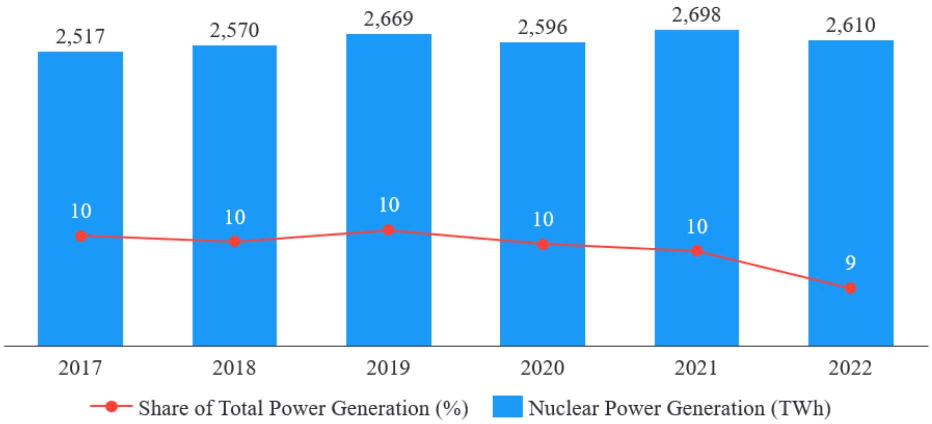
<u>*Nuclear power generation capacity*</u>

In 2022, the global nuclear power generation capacity was 390 GW. For the last 5-6 years, capacity has stayed nearly flat. This is mostly owing to the higher capital expenditure necessary to construct them, as well as the significant costs associated with the storage and disposal of hazardous radioactive waste.

<u>*Power generation from nuclear plants globally*</u>

Despite a steady increase in nuclear power generation over the past decade, its proportion in the global energy mix has experienced a gradual decline. In 2022, nuclear power supplied 2,610TWh, accounting for 9% of the total power generation. Meanwhile, non-hydroelectric renewable sources, such as solar, wind, and biofuel, have witnessed substantial growth, with their share doubling in recent years.

Nuclear power generation (TWh) and its share in overall power generation (%) (2017-22)

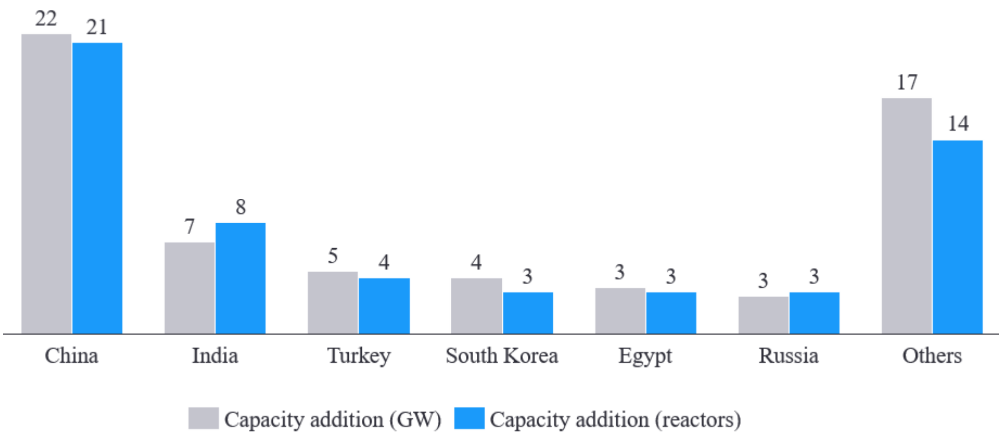


Source – EIA accessed July 2023

<u>*Reactors under construction*</u>

Across sixteen countries, there is an expected total capacity addition of 59 GW, facilitated by the installation of fifty-seven new reactors. Leading the way is China, with an approximate addition of 22 GW, while India and Turkey closely trail behind, targeting new reactor capacities of 6.6 GW and 4.5 GW, respectively.

Capacity addition currently under development by countries (GW)



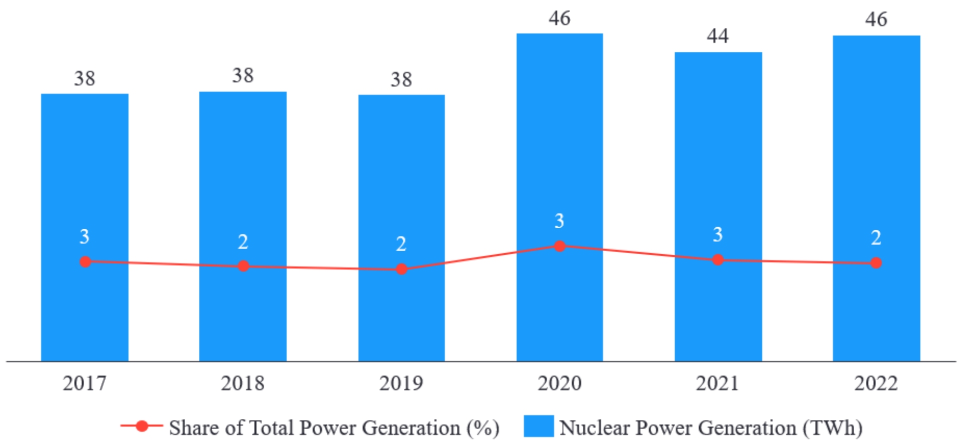
Source – IAEA accessed July 2023

Approximately one hundred nuclear plants are currently in the planning stages across fifteen countries, set to provide a total capacity of 102 GW. Notably, China accounts for 45% of this overall addition, planning to increase its capacity by 49 GW. Following closely, Russia and India have 25 and 12 reactors, respectively, in the pipeline.

India's nuclear power generation capacity and expected additions

Currently, India operates twenty-two nuclear reactors with a combined capacity of 6.8 GW, translating to roughly 2% of the global capacity.

Nuclear power generation (TWh) and its share in overall power generation (%) (2017-22)



Source- EIA accessed July 2023

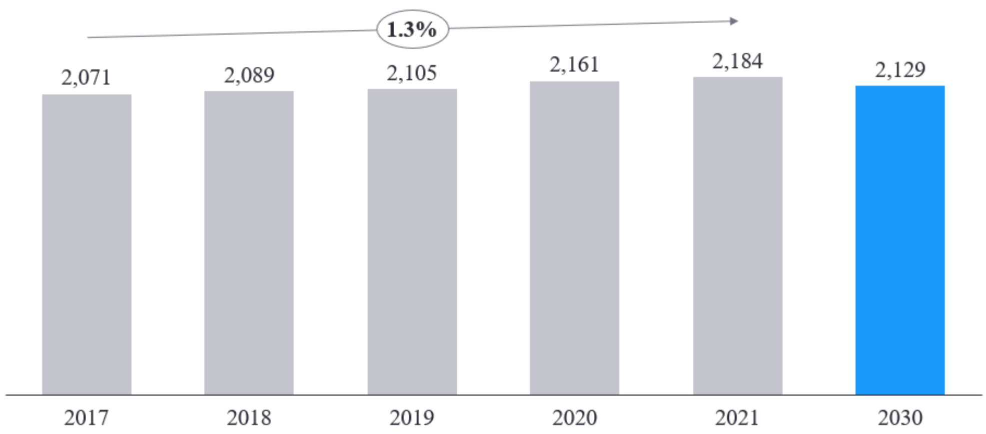
Eight reactors with an installed capacity of 6,600 MW are currently under development. Five of these reactors are located in Tamil Nadu alone.

Global coal power generation capacity and expected additions

Global coal power generation capacity

The global coal-fired power capacity stands at 2,184 GW in 2021 and this capacity has grown by 1.3% from 2,071 GW in 2017. As per the STEPS scenario of IEA, the capacity for coal-fired power plants is expected to have a small decline and reach 2,129 GW by 2030. This change in capacity will be majorly driven by phasing out of coal power plants due to emerging laws in Europe and New Energy Policy Direction in some Asian countries.

Global coal-fired power capacity 2017-30, GW

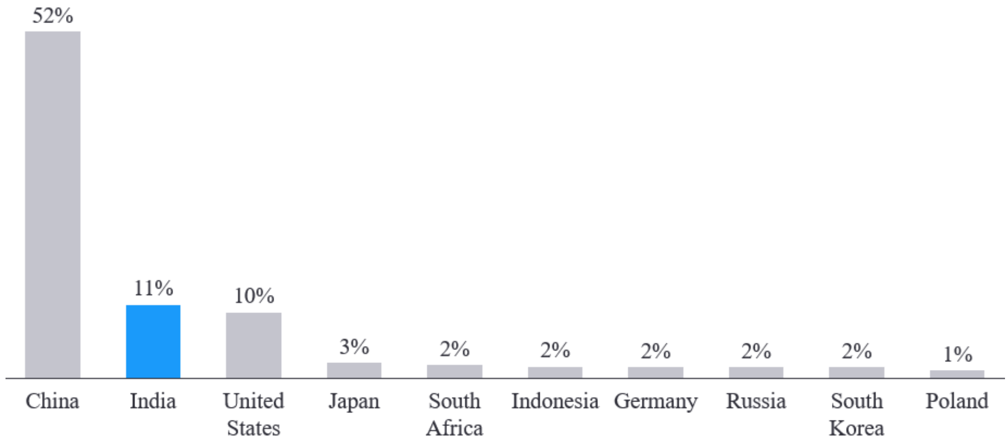


Source: IEA World Energy Outlook, dated October 2022
Note: Estimated capacity for 2030 is basis Stated Policies Scenario of IEA

Global coal power generation capacity by country

Top three countries namely, China, India, and United States account for more than 70% of the coal power generation capacity globally.

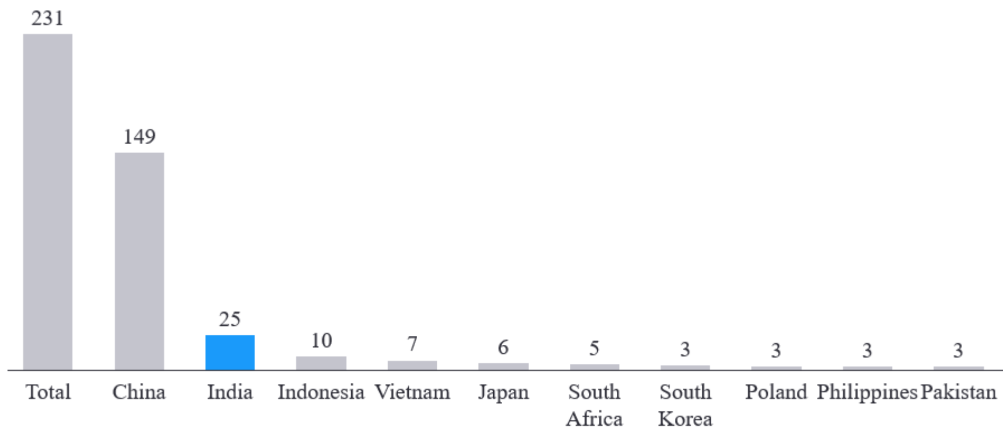
Global coal-fired power capacity by country, %



Source: Global energy monitor, dated January 2023
Note: Share of country includes both operating and mothballed capacity

Looking at the capacity additions for coal-fired power generation, China and India contribute to roughly 75% of the capacity additions between 2018 – 21. For the retired coal-fired power generation capacity, top ten countries (including United States, China, United Kingdom, Germany etc.) account for more than 85% between 2018 – 21.

Global additions in coal-fired power capacity for top ten countries, GW (2018-21)



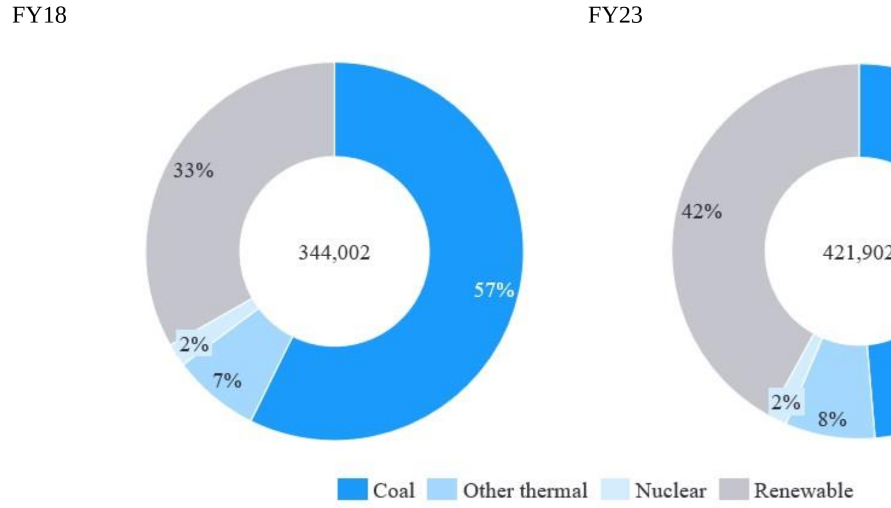
Source: Global Energy Monitor, dated January 2023

India's coal power generation capacity and expected additions

Coal-based power generation capacity

India's power generation is highly dependent on coal-based thermal power plants, and they account for about 49% of total installed power capacity (MW) in India. Although high, the share of coal in power generation has sharply fallen, compared to half a decade back when in FY18, it accounted for 57% of total installed capacity. The county has gradually invested in renewable sources of power generation such as wind and solar power to reduce the dependence on coal-based power generation and this is indicated by increase in share of renewable sources of power from 33% in FY18 to 42% in FY23.

Share of coal-based power plants in total installed capacity (MW) (FY18-23)



Source: CEA, MOSPI Energy statistics India - 2023

Expected capacity addition

According to the National Electricity Plan by Central Electricity Authority (CEA) dated May 2023, India is expected to add thermal capacity of 25,580 MW between FY22-FY27 (~12% of current installed capacity), and it will be based on coal and lignite. Coal-based capacity of 2,121.5 MW is also considered for retirement due to aging and shortfall from regulatory requirements by 2032. By FY27, the country expects that coal-based power plants will constitute ~38% of total installed capacity.

ASSESSMENT OF ENERGY TURBINE MARKET

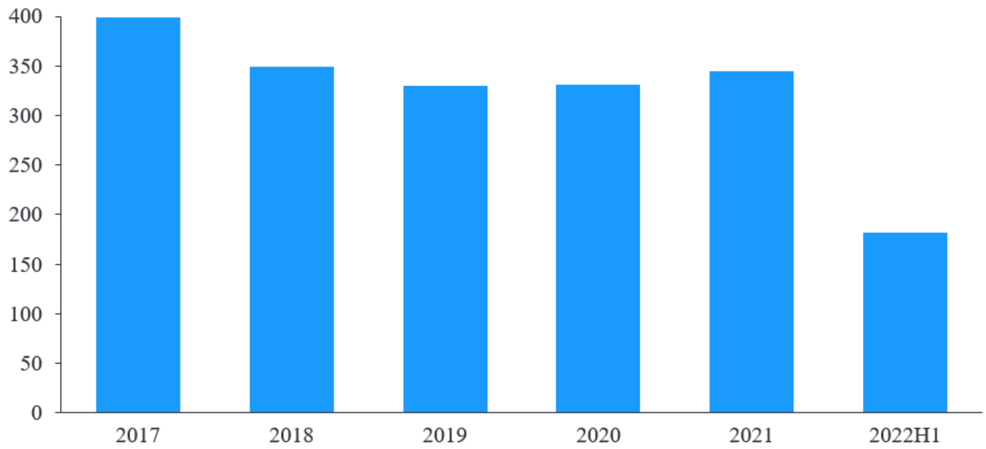
This report talks about the market for 2 types of energy turbines. These include turbines used for power generation and turbines used in industries for applications other than power generation.

Global power turbines market overview

A turbine is a mechanical device that converts kinetic energy into rotational energy by using steam, water, gas, etc.

Gas power turbines orders overview

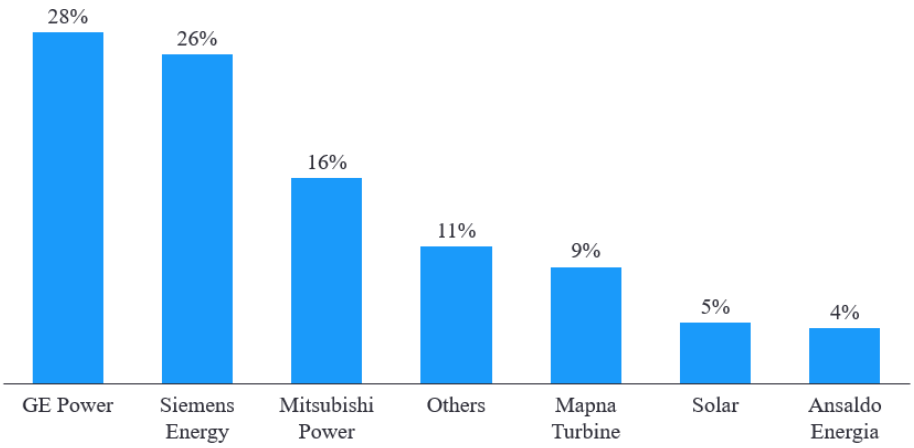
Gas power turbines ordered (2017-2022H1)



Source: McCoy Reports
Note: These orders of gas power turbines are only for simple cycle power plants

As per McCoy reports, during the 6M'22 period, the orders for gas turbines (GTs) were 183 units vs 172 units in 6M’21 for simple-cycle power plant. Additionally, there were 91 units ordered for combined cycle in 6M’22. The total number of orders in H1 2022 for gas turbines (across simple cycle & combined cycle) were 274 units. As per McCoy reports, total number of orders for gas turbines (across simple cycle and combined cycle) were 461 units in 2021. The gas turbine manufacturing market is highly concentrated with top 5 players contributing to more than 80% of the market (based on orders in 2022H1). Based on the market share as of orders in H12022, GE Power & Siemens Energy are two players with almost half of the market share.

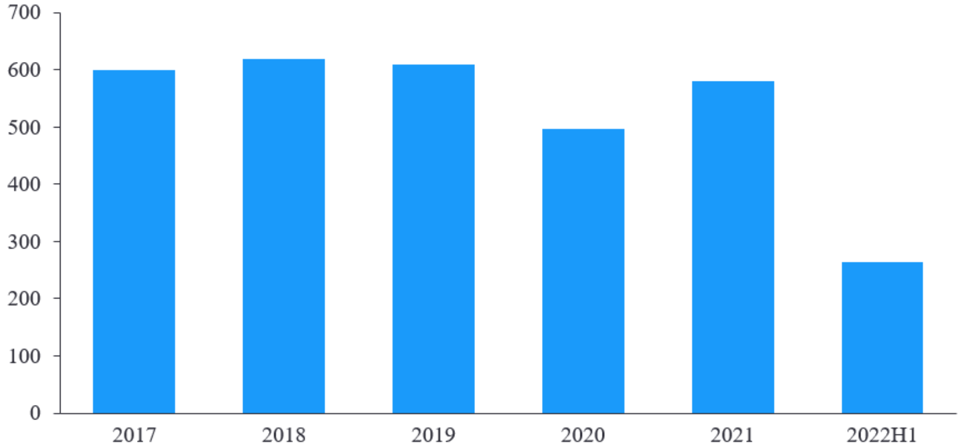
Market share for gas power turbines manufacturers based on orders in 2022H1



Source: McCoy Reports
Note: The market share is based on technological ownership & the number of units ordered in 2022H1.

Steam power turbines market overview

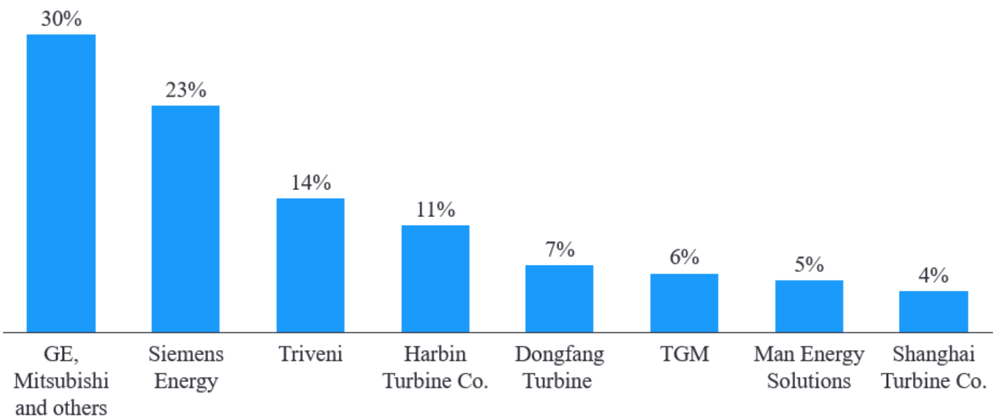
Steam power turbines ordered (2017-2022H1)



Source: McCoy Reports
Note: These orders of steam power turbines are only for simple cycle power plants

As per McCoy reports, during the 6M'22 period, the orders for steam turbines (STs) were 265 units vs 232 units in 6M’21 for simple-cycle power plant. Additionally, there were 58 units ordered for combined cycle in 6M’22. The total number of orders in H1 2022 for steam turbines (across simple cycle & combined cycle) were 323 units. As per McCoy reports, total number of orders for steam turbines (across simple cycle and combined cycle) were 610 units in 2021. Steam turbines include multiple fuel types such as fossil, biomass, nuclear, etc. The steam turbine manufacturing market is concentrated with top 5 players contributing to more than 60% of the market (based on orders in 2022H1). Based on the market share as of orders in H12022, Siemens Energy & Triveni Turbines Ltd. are two players with 37% of the market share.

Market share for steam power turbine manufacturers based on orders in 2022H1

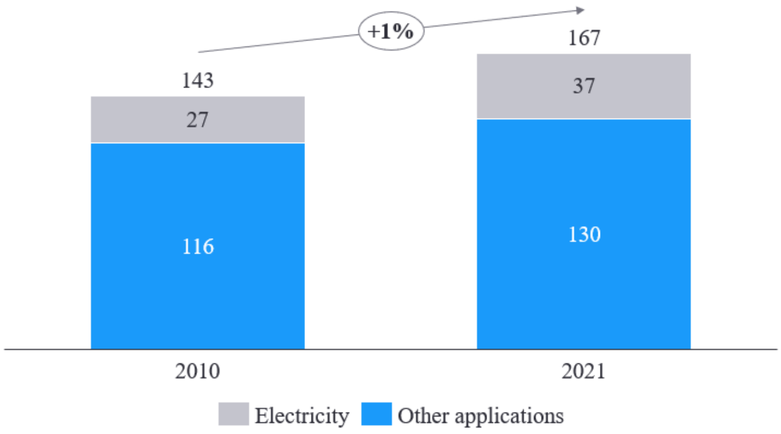


Source: McCoy Reports
Note: The market share is based on technological ownership & the number of units ordered in 2022H1.

Industrial turbines market and outlook

Global industrial energy consumption has increased from 143 GW in 2010 to 167 GW in 2021. Out of this, more than three-fourths of the market is consumed for non-power end use applications. By 2030, industrial energy consumption is expected to reach within the range of 172 GW (NZE scenario of IEA) to 178 GW (APS scenario of IEA) to 189 GW (STEPS scenario of IEA).

Global industrial energy consumption (GW), (2010-21)



Source: IEA World energy outlook

Industrial turbines are used in various industries such as oil & gas, chemicals, marine applications, cement, mining etc. Oil & gas is of the key industries with high demand for industrial turbines. There are various applications of industrial turbines in the Oil & Gas industry with pipeline compression being one of its prime use cases. Gas turbines help to compress the natural gas and to power the refrigeration system to cool the compressed gas so that it can be transported through pipelines to distribution centers.

Key turbine manufacturers

GE Power, Siemens Energy AG & Mitsubishi Power Ltd. have the largest number of orders (70% share as per orders in H12022) for gas turbines, whereas Siemens Energy & Triveni Turbines Ltd. have the largest number of orders (37% share as per orders in H12022) for steam turbines.

Azad Engineering Ltd. supplies components to 5 of the manufacturers of turbines mentioned below (General Electric, Siemens Energy AG, Mitsubishi Power Ltd., Ansaldo Energia S.P.A., Bharat Heavy Electricals Limited (BHEL), Triveni Turbines Ltd, Harbin Turbine Co. Ltd., Dongfang Electric Corporation, Shanghai Electric Power Generation Group, Baker Hughes, Solar Turbines).

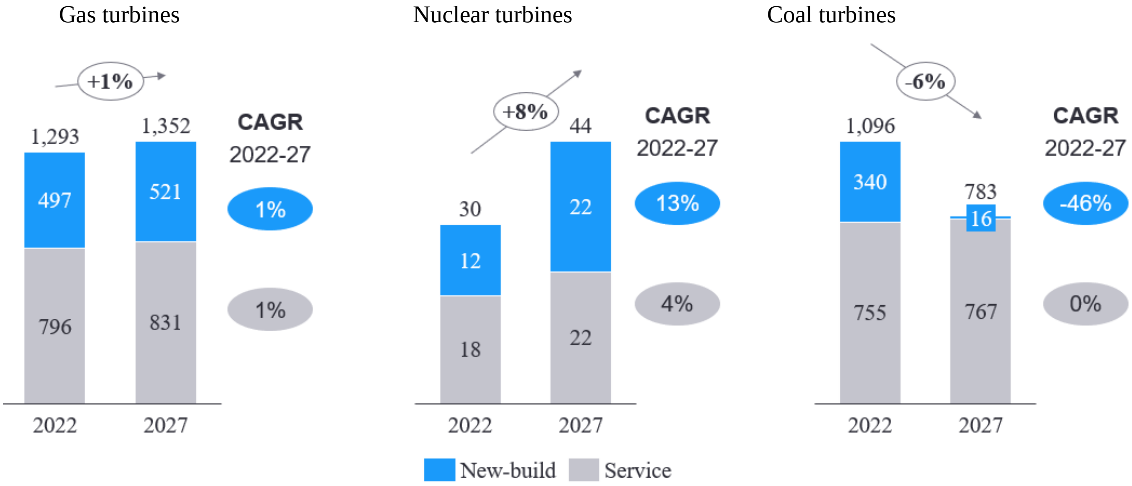
Outlook for new and serviceable turbines in power generation industry

According to Siemens Energy, gas services are an important part of the low emission society & despite problems over supply from Europe, it is still considered as a better alternative vs the other fossil fuels.

At COP27 the agreement on “low emission energy” was not defined in a formal manner that leaves a chance for natural gas production. Moreover, the technologically advanced gas turbines can burn hydrogen as well so the life of these will continue even in the new energy economy.

The market for turbines is driven by demand from turbines to be used in new power plants and serviceable turbines.

Outlook for new and serviceable turbines (number of turbines) (2022 – 27)



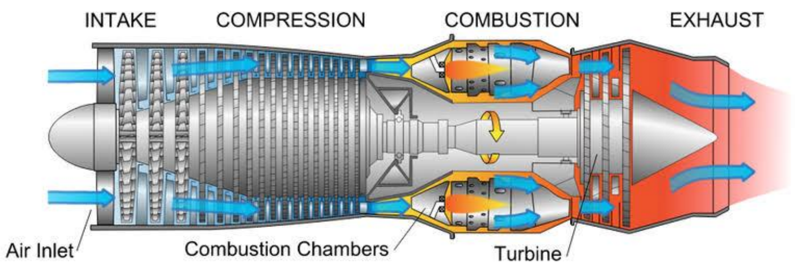
Source: IEA, Global energy monitor January 2023, Global energy monitor February 2023, World Nuclear Association

Key components of a turbine and its maintenance cycle

Key components of gas turbine

A gas turbine is an internal combustion engine used in power plants. It converts natural gas or other liquid fuels into mechanical energy, which in turn drives a generator to produce electrical energy transmitted through power lines. Major components of a gas turbine include:

Pictorial representation of a gas turbine



Source: Energy education website

1. ***Air Inlet***: It is an important component that makes huge amount of air to enter the turbine maintaining the pressure or flow, the filters used remove contaminants from the air. The air inlet is designed to ensure a steady air flow & maximize air compression.
2. ***Compressor***: Airfoils in this section perform the function to pull in large air volume, compresses the air to required pressure & pushes it to the combustion chamber at high speed. Usually axial-flow compressors are used due to their ability to maintain continuous air flow. These compressors consist of rotor blades/airfoils, drums and stator blades/airfoils which work in creating an 'adverse' pressure gradient to push gas to high static pressure from low across the compressor. Component critically is of high importance to prevent flow reversal and avoid 'stalling' of blades/airfoils which increases power required and decreases component life.
3. ***Combustion chamber***: Here the fuel is injected, post that ignition of fuel-air mixture is done using spark plugs located in the chamber. The job of flame stabilizers is to ensure that the flame stays in the combustion zone & is stopped from moving back in the compressor section.
4. ***Power turbine:*** The most vital component that converts the energy from high temperature & high-pressure gas into mechanical energy, which generates electricity. The gas flowing through the turbine expands and exerts a force on the blades and makes them move. The moving blades draw more pressure in the combustion section & spin the generator to produce electricity. Cooling systems are mounted to maintain the temperature of the turbine.
5. ***Blades/Airfoils***: A turbine blade can be divided into 4 parts: airfoil, platform, shank & dovetail. They contain rows of hollow airfoils for cooling purposes. The compressor and turbine sections of a gas turbine use two types of blades:
    - ***Rotor blades/airfoils***: These blades are responsible to accelerate & compress the incoming air in the compressor & extract energy from gas flow in the turbine. They are shaped in aerodynamic manner to hold high centrifugal forces & run at high speeds.
    - ***Stator blades/airfoils (Guide vanes)***: They are used to compress the air near the rotor blades, optimize the angle of attack & reroute the airflow. These blades are important to the performance & efficiency of the turbine.

Other than combustion chamber and blades/airfoils, there are small parts in a turbine that require machining to have a precise finish.

Key components of steam turbine

Major components of a steam turbine include:

1. ***Casing***: It is the outer covering of turbine that is placed in a horizontal way, it prevents spillage of fluids from within the turbine. Its horizontal placement helps in easily accessing it for repairing.
2. ***Rotor***: It is the component of steam engine that moves and aids in converting the steam into energy. The rotor is made up of multiple cylinders that are together to form the movable rotating part of the turbine. Types of rotors: rigid, flexible & drum.
3. ***Blades/Airfoils***: These are very important part of a turbine; these convert the incoming steam into mechanical energy. Blades/Airfoils are of two types: movable & fixed, in some turbines these come together.
4. ***Diaphragms***: It is a stationary component of a steam turbine. The major use of a diaphragm is to improve turbine efficiency by regulating the steam flow to the blades.
5. ***Bearings***: These are very small components that are part of a turbine, they are used to reduce friction. They control friction between parts like rotors & shafts. Two types of bearings are used: Roller & Ball.
6. ***Governor System***: Governor is a control system that is deployed in the turbine to adjust its rotational speed with the use of variation in the water flow through the turbine.
7. ***Support System:*** It is made up of a lot of components to aid the performance of a steam turbine and help other components, it usually controls the stability of a turbine.

Turbine repair cycle

For maintaining the efficiency & the life of a turbine, timely repairs are an essential part. Today the market for the spare parts of turbines is dominated by few players given that the high temperatures & precision needs for turbine components.

Generally, all new turbine sales have a Long-Term Service Agreement (LTSA) that reduces the maintenance cost for the owner. Customers without service agreements either opt for transactional relationships with the OEM or seek services from independent providers, including those affiliated with gas turbine competitors. Gas turbines require repair every three to eight years and a major overhaul or rebuild every 10 to 16 years, with a typical lifespan exceeding 30 years. Steam turbines on the other hand require less maintenance than the gas turbines & have a longer operational life.

OILFIELD INDUSTRY

PRESENCE OF AZAD ENGINEERING LTD. IN THE OILFIELD INDUSTRY

Azad Engineering Ltd. supplies components to the oilfield industry such as drill bits, slips which are used in the drilling equipment and are part of the exploration and production phase. The company supplies components to one of the global manufacturers of drilling equipment.

This section of the report covers the assessment of oilfield industry and an overview of the different equipment used in the oilfield industry.

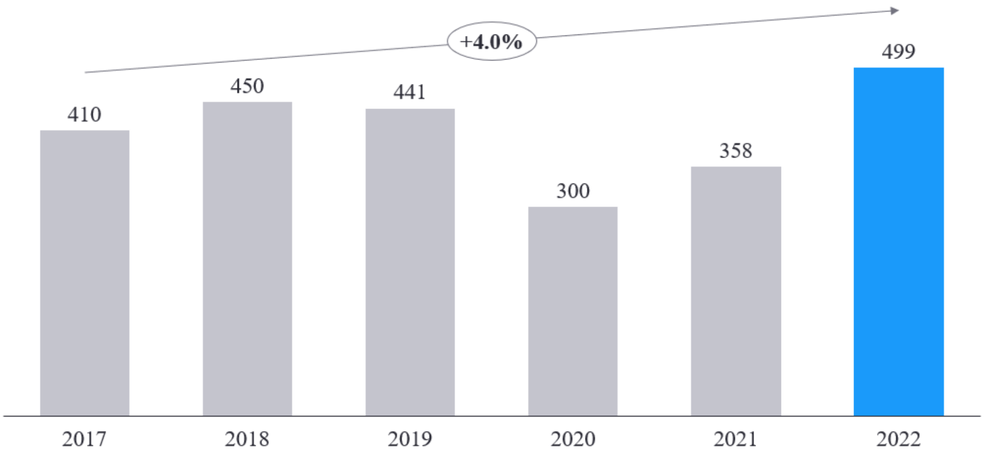
ASSESSMENT OF OILFIELD INDUSTRY

Global exploration and production (E&P) spending

The global spending on upstream capex has been growing at 4% historically and currently stands at 499 Bn (2022). Although the spending witnessed a significant fall in 2020 during COVID but has now bounced back above pre COVID levels. One of factors responsible for this increased spending is also the rising costs along with the increase in E&P activity.

As per worldoil estimates, India, Asia, and Australia are expected to lead the growth in 2023 as spending in these regions remained relatively consistent even during the pandemic. Along with these countries, The MENA region is also expected to witness accelerated growth.

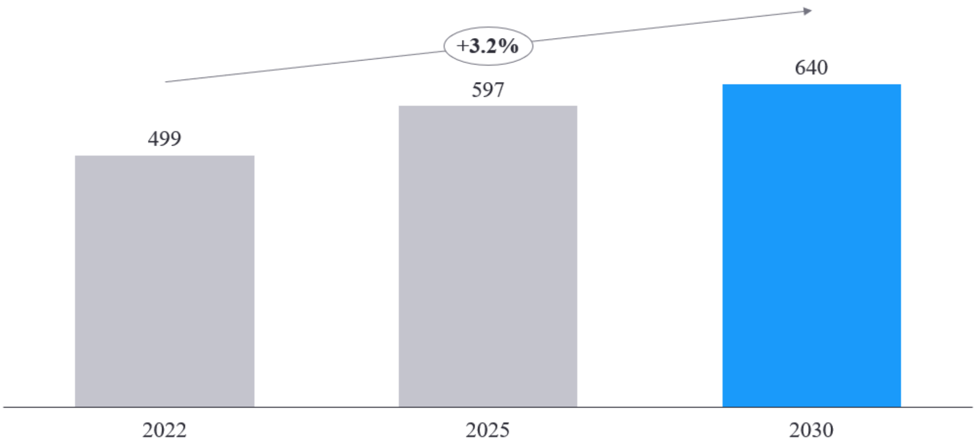
Global O&G upstream capex (US$ Bn), (2017-2022)



Source – IEF, S&P Global Upstream Oil and Gas Investment Outlook, dated February 2023

As per IEF and S&P estimates, the global O&G upstream spending would reach 640 Bn by 2030. Along with the rising costs, the other key drivers for this spending are demand and production. Since historically production growth lagged the demand growth, this further creates a need for increase in E&P to ensure stable supply.

Global O&G upstream capex forecast (US$ Bn), (2022-2030)



Source – IEF, S&P Global S&P Global Upstream Oil and Gas Investment Outlook, dated February 2023

DRILLING EQUIPMENT OVERVIEW

Azad Engineering Ltd. supplies drill bits to the oilfield service and equipment players. Drill bits are part of rotary system of the drilling rig. Additionally, the company also supplies downhole drilling tools such as reamers.

The key components for drilling rig and the downhole drilling tools include:

Drilling Rig

The platform where the drilling work happens is called a drilling rig. It contains the parts that are needed for drilling purpose. The various components include:

1. ***Power System***: This system is responsible to provide power for running the rig. Usually, the power is generated via combustion generators.
2. ***Hoisting System***: This system is used to elevate, descent and hang the drill string and provide support in their insertion into the well. It is the part that does main drilling work.
3. ***Well control & monitoring system***: It is used to prevent the unrestrained & destructive release of high-pressure fluids like oil, gas, or salt water from the formations at subsurface. In the event of an abrupt pressure shift in the well causing formation fluids to surge upwards, the Blowout Preventer (BOP) is promptly activated to seal off the well, preventing blowouts.
4. ***Rotary system***: It causes the drill bit to rotate over the wellbore. The rotary system has multiple components including drill bit.
5. ***Circulating system***: This system is used to support the movement of drill fluid or mud through the drill string. It comprises of multiple components which enable the drilling fluid to effectively accomplish its core functions.

Downhole Drilling Tools

These are used for well drilling, completion & intervention. These tools help in maintaining the level of well & ensure a steady flow from a reservoir. The downhole drilling tools include reamers, elevators, tongs etc. The main reason for utilizing downhole tools is to perform workover tasks and well completion process. These tools also enable the assessment of reservoir properties like rock, sand, and liquids by retrieving samples to the well's surface for analysis.

Key manufacturers of drilling equipment

There are some key players in the drilling equipment market globally including Schlumberger, Ltd., Baker Hughes, Haliburton, NOV Inc., RPC Inc. etc.

Azad Engineering Ltd. supplies components to one of the manufacturers of drilling equipment mentioned below (Schlumberger Limited, Baker Hughes, Halliburton, NOV Inc., RPC Inc.).

MARKET FOR COMPONENTS IN A&D, ENERGY AND OILFIELD INDUSTRY

AEROSPACE AND DEFENCE COMPONENTS

MARKET REVIEW AND OUTLOOK

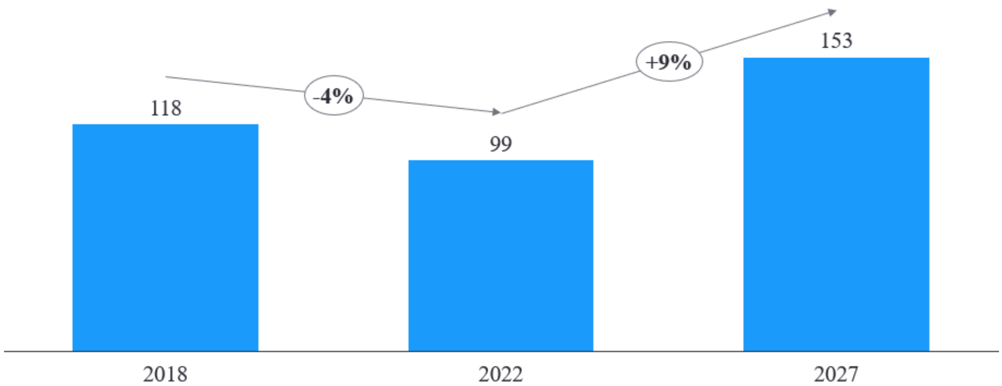
Key customers in aerospace and defence

Based on the analysis of market share of US based commercial aircraft & engine manufacturer, The Boeing Company & GE Aerospace are the largest players that emerge out of the segment. Amongst suppliers, Eaton Corporation Plc is supplier of high-pressure main engine fuel pumps and related components to engine manufacturers such as GE Aerospace. Similarly, Honeywell International Inc.is a key supplier to The Boeing Company, Honeywell International Inc. is also expanding its capacity to cater to the growing demand from players like The Boeing Company, due to ongoing fleet expansion worldwide. In the Indian aircraft market, Hindustan Aeronautics Limited (HAL) is the sole player that designs & manufactures aircrafts, hence it is considered as a key customer in the addressable market.

Overall market size for the components for the above customers

The addressable market for aerospace and defence is INR 99k Cr in 2022 & is expected to go up to INR 153k Cr by 2027.

Addressable market for aerospace & defence components (in INR'000 Cr) (2018-27)



Source: Company annual reports
Note: The market includes the market for five key players: Eaton Corporation Plc, The Boeing Company, Honeywell International Inc., GE Aerospace & HAL

GE Aerospace is the player with the largest addressable market size, followed by The Boeing Company & Honeywell International Inc.

In a typical aircraft multiple components require machining to attain the required precise measurements that are defined by the design of the aircraft. By using machining one can produce complex dimensions & shapes. Some of the parts of an aircraft that need machining include:

1. Engine
2. Avionics
3. Sensors
4. Seating
5. Connectors

6. Airframe

Forging involves process of putting pressure over metal by using some external force such as hammer. There are multiple components of an aircraft that require forging. Some of these components are:

1. Engine discs
2. Components of a wing
3. Undercarriage components
4. Air fuselage.

It has been observed that in the last few years air travel has increased significantly, with projections of it going further up. The market for aerospace components is contingent on several factors:

1. ***Increasing demand for commercial aircrafts:*** The demand for commercial aircrafts is increasing, driven by higher demand from countries like India.
2. ***Rise in defence spending:*** Globally the defence spending is expected to go up. With ongoing modernization of defence equipment, the demand of more advanced & powerful military aircrafts is expected to go up.
3. ***Technological advancements:*** Global trends such as higher fuel efficiency, next generation engines and materials is creating avenues for research & development opportunities for component suppliers.

While there are drivers that push the demand for the aerospace components some of the risk factors are:

1. ***Supply-chain disruptions***: The aerospace industry is dependent on suppliers from a number of countries to meet its component and material requirements. Disruption in availability of a raw material or intermediate material can disrupt the supply chain impacting the business of component manufacturers.
2. ***Usage of advanced materials:*** Continuous push for lighter aircrafts and engines with greater fuel efficiency have resulted technological advancements where either newer material are being used or newer manufacturing techniques are being adopted.
3. ***Increasing competition & high development costs:*** Aircraft manufacturing is largely a duopoly limiting the bargaining power of the suppliers lower. Also, the development costs are very high in the aerospace industry given the stringent quality checks & the certifications that are required to qualify as a supplier.

COMPETITION LANDSCAPE FOR A&D COMPONENTS MARKET

Industry structure

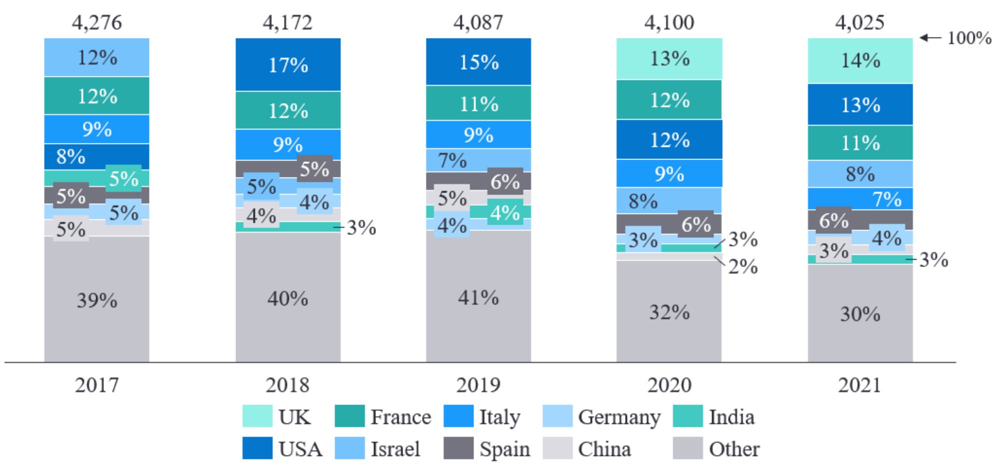
The Aerospace and defence component industry is fragmented and there are a many small and medium sized players catering to Tier 1 manufacturers who further supply to OEMs like Airbus SE and The Boeing Company. The OEMs are smaller in number and the value chain funnel from Tier 2 to Tier 1 to OEM becomes even more narrow.

Global and Indian trade

Overall global exports

The total exports have remained flat around US$ 4 Bn mark. UK, France, and USA occupy the top spots in exports and make up for over a third of global exports. India contributes to about 3% of the total exports. Below is the export share breakup of countries for HS code: 88039 which refers to “parts of aircraft and spacecraft, n.e.s.”.

Overall global exports at HS code 88039 (US$ Mn), (2017-21)



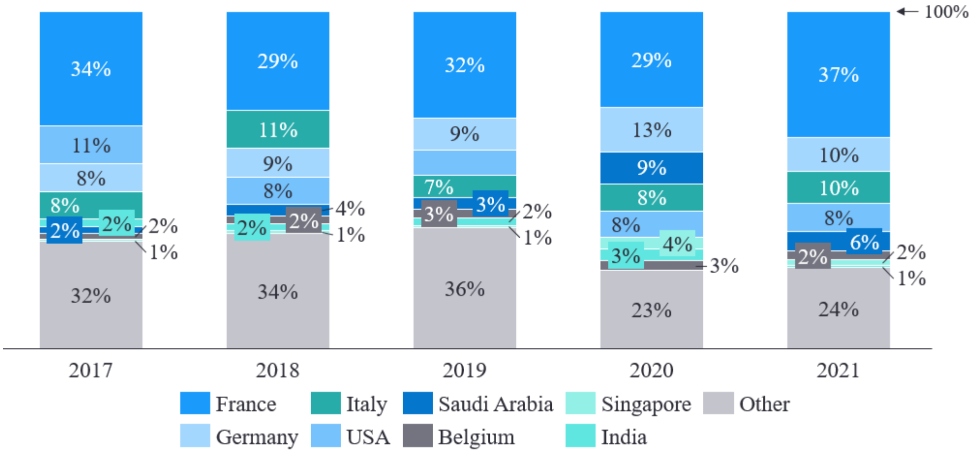
Source: ITC trade map

Note: The import data is specific for the HS code 88039 which refers to "parts of aircraft and spacecraft, n.e.s.". Global data is being analyzed using CY data instead of FY data

Overall global imports

France makes up for over a third of global imports with Germany and Italy making up for 10% each. The primary reason for this is that major assembly lines for aerospace (such as Airbus SE, Thales Group, Safran S.A., Dassault Aviation S.A. etc.) are located in France. Below is the import share breakup of countries for HS code: 88039.

Overall global imports at HS code 88039 (US$ Mn), (2017-21)

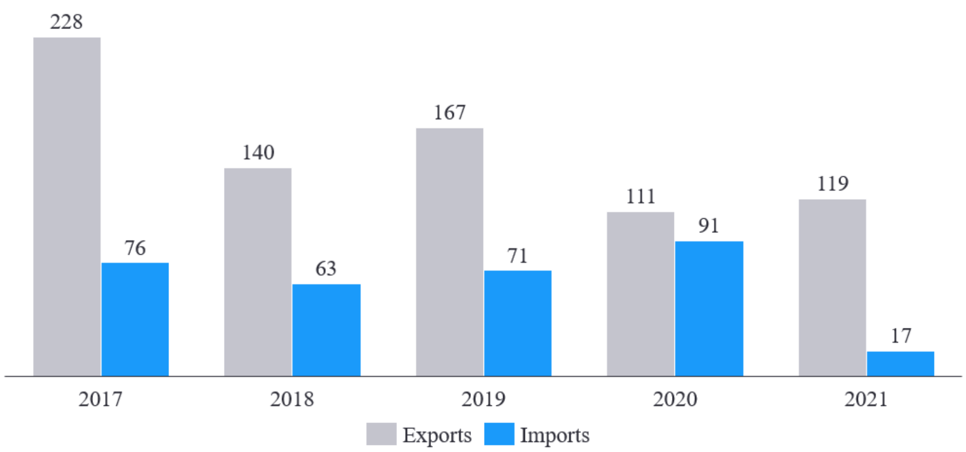


Source: ITC trade map
Note: The import data is specific for the HS code 88039 which refers to "parts of aircraft and spacecraft, n.e.s.". Global data is being analyzed using CY data instead of FY data

India's exports and imports

Exports declined in 2018 due to decline in export of high value products. Post that exports declined in 2020 due to decline in orders of The Boeing Company & Airbus SE driven by decline in demand due to the pandemic. However, the imports have witnessed a marginal increase. As per Union Defence Ministry, India's defence exports reached 13,399 INR Cr in FY23 which is the highest ever for the country. Below are the imports and exports from India for HS code: 88039.

India's exports and imports at HS code 88039 (US$ Mn), (2017-21)

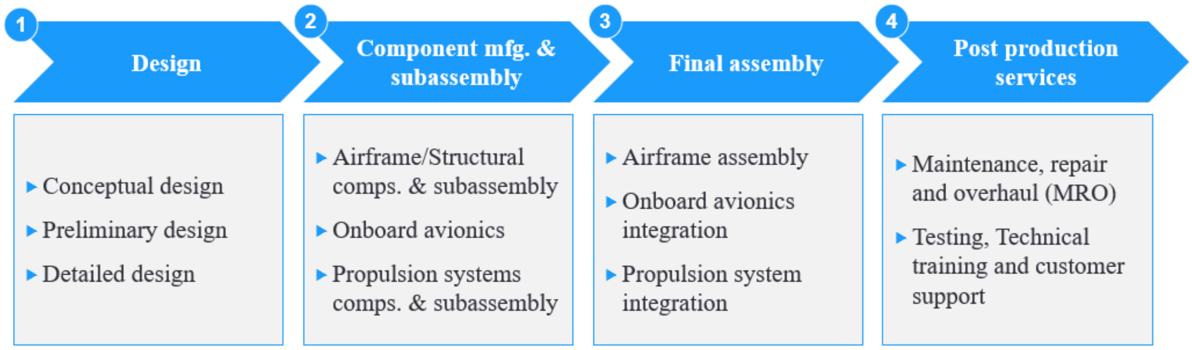


Source: ITC trade map
Note: The import data is specific for the HS code 88039 which refers to "parts of aircraft and spacecraft, n.e.s.". For the purpose of comparing with global trade, we have used calendar year for India trade data

Value chain for the A&D components market

The value chain for manufacturing of A&D components has four key steps. Starting from the design, then component manufacturing and subassembly of systems, then final assembly of the particular part and then postproduction services. The final aircraft assembly is only done by OEMs like The Boeing Company and Airbus SE and a tier 1 player does assembly of the particular part (propulsions system, lavatories etc.). On the other hand, a tier 2 supplier primarily supplies subassemblies and components (e.g., blades, fasteners, engine parts etc.) which are then integrated into the final assemblies (propulsions system, lavatories etc.).

A&D manufacturing value chain



Source: Research gate
Note: This excludes final aircraft assembly which is done by OEMs (such as The Boeing Company, Airbus SE) only.

Key players manufacturing A&D components

Azad Engineering Ltd.:

Azad Engineering Ltd. started its core manufacturing in 2008 and is a manufacturer in the aerospace & defence and energy turbine components. It is also a manufacturer of oilfield drilling equipment. The company manufacturers high precision components for A&D industry.

Details of other players

The details about other key players manufacturing A&D components are mentioned below.

Details of key players manufacturing A&D components

Players	Key products	Key services	Manufacturing locations	Markets served
Dynamatic Technologies Ltd.	• Wing & Rear Fuselage • Ailerons & wing flaps • Airframe structures	• Designing & manufacturing • Precision machining • Aerospace fabrication	India	Domestic (India) & export
Maini Precision Products Ltd.	• Aerospace engine parts • Aerospace structures • Aerospace systems • Clean powertrain	• Designing & testing • End to end machining & casting processes • Export packaging & warehousing	India, UK	Domestic (India) & export
MTAR Technologies Ltd.	• Nuclear assemblies • Space vehicle engines • Clean energy units	• CNC machining • Quality, testing & control • Assembly services	India	Domestic (India) & export
Paras Defence & Space Technologies Ltd.	• Defence & space optics • Aerospace communication systems • Avionic suites	• Heavy engineering & precision manufacturing • Embedded software development • System engineering design	India	Domestic (India) & export
International Aerospace Manufacturing Pvt. Ltd.	• Aeroengine compressor • Gas turbine parts • Compressor casings, housings, rings & other parts	• Machining • Metal spray, blasting & painting • Advanced manufacturing using AI	India	Domestic (India) & export

Players	Key products	Key services	Manufacturing locations	Markets served
Mecachrome SAS	• Aerostructures • Subassemblies for helicopters, fighter planes, jets & aircrafts • Assemblies for aircraft engines • Engine drive shaft mechanism for helicopters	• Machining • Sheet metal working • Assembly of work packages • Digitalization using AI to improve the cost of lifecycle of products for customers	France	Domestic (France) & export
Jamco Corporation	• Aircraft components • Jet engine parts • Aircraft interiors	• Design, assembly & supply • Maintenance, repair & overhaul (MRO)	Japan	Domestic (Japan) & export
Wuxi Turbine Blade Co., Ltd. (WTB)	• Compressor blades • Disks and shafts • Structural parts	• Machining & forging • Non-destructive testing • Special processes	China	-
Aero Engine Corporation of China (AECC)	• Aerospace engine parts • Turbofan engines • Turboprop engines • Turboshaft engines	• Design, assembly, integration & supply • Testing • Maintenance	China	Domestic (China) & export
Shanghai Prime Machinery Company Ltd.	• Fasteners • Bolts & rods • Special parts • Nuts & screws, socket cap screws	• Design & manufacturing • Surface plating	China	Domestic (China)

Source: Company websites
Note: Information for markets served by Wuxi Turbine Blade Co., Ltd. (WTB) is not available

Operational benchmarking of key players

Value chain presence of players

Almost all of the players are present in the component manufacturing and sub-assembly whereas only large players have integrated and provide design and final assembly as well.

Value chain presence of players

	Production			Post production services
	Design	Component manufacturing	Assembly	
Azad Engineering Ltd.		✓	✓	
Dynamatic Technologies Ltd.	✓	✓	✓	✓
Maini Precision Products Ltd.	✓	✓	✓	✓
MTAR Technologies Ltd.	✓	✓	✓	
Paras Defence & Space Technologies Ltd.	✓	✓	✓	
Aero Engine Corporation of China (AECC)	✓	✓	✓	✓
International Aerospace Manufacturing Pvt. Ltd.		✓	✓	
Jamco Corporation	✓	✓	✓	✓
Mecachrome SAS		✓	✓	✓
Shanghai Prime Machinery Company Ltd.	✓	✓		
Wuxi Turbine Blade Co., Ltd. (WTB)		✓		

Source: Company websites
Note: 1. Post-production services typically include maintenance repair and overhaul (MRO). Testing is a critical part of production process and hence is not included within post-production services. 2. This excludes final aircraft assembly which is done by OEMs (such as The Boeing Company, Airbus SE) only.

Segmental presence of players

While most players only focus on machined components, a few players offer forgings and casting services as well. Within machined engine parts, the most common offering are blades. Other parts include landing gear, wire harnesses systems and other assemblies.

Segmental presence of players

	Aero structures	Machined engine parts	Other machined parts	Others
Azad Engineering Ltd.		✓	✓	✓
Dynamatic Technologies Ltd.	✓		✓	
Maini Precision Products Ltd.	✓	✓	✓	✓
MTAR Technologies Ltd.	✓	✓	✓	✓
Paras Defence & Space Technologies Ltd.	✓		✓	✓
Aero Engine Corporation of China (AECC)		✓		
International Aerospace Manufacturing Pvt. Ltd.		✓		
Jamco Corporation		✓		✓
Mecachrome SAS	✓	✓	✓	
Shanghai Prime Machinery Company Ltd.			✓	
Wuxi Turbine Blade Co., Ltd. (WTB)	✓	✓	✓	✓

Source: Company websites
Note: Other machined parts include machined components such as flanges, bushings etc. Other parts include landing gear, wire harnesses systems & other assemblies

Financial benchmarking of key players

Revenue comparison of the key players

Presently global players are operating at much larger scale but have been stagnant in terms of growth.

Revenue comparison of competitors 2020-2023 (INR Cr), CAGR (2020-23)

Company	2020	2021	2022	2023	CAGR
Jamco Corporation	5,401	2,953	2,306	2,786	-19.8%
Dynamatic Technologies Ltd.	1,334	1,124	1,262	1,326	-0.2%
Maini Precision Products Ltd.	583	437	627	-	3.6%
MTAR Technologies Ltd.	218	248	331	593	39.6%
Azad Engineering Ltd.	124	125	198	254	27.2%
Paras Defence & Space Technologies Ltd.	149	145	186	231	15.7%
International Aerospace Manufacturing Pvt. Ltd.	162	108	151	192	5.9%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note – 1. Revenues for international players are converted to INR as per latest exchange rate.
2. A&D segment share in overall revenue: Dynamatic Technologies Ltd ~ 34% (2021), Maini Precision Products Ltd. ~10% (2021), International Aerospace Manufacturing Pvt. Ltd., Jamco Corporation ~100%, 3. For Indian players, financials are for FY20-FY23, 4. CAGR is for 2020-22 for Maini Precision Products Ltd. due to lack for 2023 financial data.

Comparison of EBITDA margin of the key players

Azad Engineering Ltd. has the highest EBITDA margin (31% in 2023) across the compared companies in India and globally.

EBITDA margin comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Jamco Corporation	5.1%	-16.8%	-3.9%	8.1%
Dynamatic Technologies Ltd.	15.2%	13.8%	14.1%	14.4%
Maini Precision Products Ltd.	6.8%	3.0%	6.7%	-
MTAR Technologies Ltd.	28.6%	34.1%	31.2%	29.2%
Azad Engineering Ltd.	34.7%	26.4%	32.5%	30.9%
Paras Defence & Space Technologies Ltd.	27.7%	30.9%	29.5%	28.1%
International Aerospace Manufacturing Pvt. Ltd.	15.4%	14.2%	14.2%	16.5%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note - For Indian players, financials are for FY20-FY23

Comparison of PAT margin of the key players

Indian companies have a diversified portfolio of customers and have been consistently profitable.

PAT margin comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Jamco Corporation	0.7%	-27.1%	-10.4%	4.7%
Dynamatic Technologies Ltd.	2.9%	-1.9%	1.2%	3.2%
Maini Precision Products Ltd.	2.6%	-10.7%	-2.9%	-

Company	2020	2021	2022	2023
MTAR Technologies Ltd.	14.4%	18.6%	18.4%	17.4%
Azad Engineering Ltd.	17.1%	10.8%	14.1%	17.7%
Paras Defence & Space Technologies Ltd.	13.2%	10.9%	14.6%	15.6%
International Aerospace Manufacturing Pvt. Ltd.	2.9%	0.7%	4.8%	7.5%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note - For Indian players, financials are for FY20-FY23

<u>*Comparison of ROCE of the key players*</u>

Most Indian companies have ROCE's in excess of 10%.

ROCE comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Jamco Corporation	4.2%	-36.5%	-16.3%	7.3%
Dynamatic Technologies Ltd.	13.2%	8.7%	12.2%	13.2%
Maini Precision Products Ltd.	0.1%	-8.4%	-0.1%	-
MTAR Technologies Ltd.	21.6%	14.5%	15.8%	21.4%
Azad Engineering Ltd.	29.4%	16.4%	19.7%	16.3%
Paras Defence & Space Technologies Ltd.	13.5%	13.6%	11.1%	12.2%
International Aerospace Manufacturing Pvt. Ltd.	8.9%	3.1%	10.2%	18.3%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note - For Indian players, financials are for FY20-FY23

Key success factors in the industry

There key success factors in the aerospace and defence components industry not only require access to resources but also continual attention to improve operational efficiency:

1. ***Operational effectiveness***
   a. Highly skilled labour is required but optimal labor costs are also needed as suppliers have lower bargaining powers vis-à-vis the OEMs
   b. OEM seek to maximize their margins and are constantly looking for cost effective suppliers which gives Indian vendors who are able pass the stringent qualification process an edge
   c. Specialization in one product or common process confers an edge to the supplier as they tend to get higher volumes.
2. ***Execution capability***
   a. Control over supply chain is critical in this industry since the tolerance for error is non-existent.
   b. Ability to ramp to meet the production schedules is a key requirement for the OEMs and Tier1 players. They prefer supplier who can provide this consistently
   c. Rapid responses to request for quotes and proposals is also a key demand from customers
3. ***Access to resources***
   a. These products are of high quality and used in life critical components such as engine of an aircraft. Hence, the margin for error in these components is nil.
   b. Access to skilled labor with experience in manufacturing components with small tolerances is a key requirement. Plant locations which have access to such talent have an advantage
   c. Vendors are required to participate during the product development stage and vendors who can commit capital and resources have a higher right to win when the product is launched, and demand picks up.

The industry has a significant entry barrier due to a lengthy qualification process for the A&D components due to criticality of their usage. The qualification process for a new vendor is stringent and includes multiple steps mentioned below

1. Identification and understanding the vendor
2. Assessment and audit of the technical capabilities for the vendor
3. RFQ and negotiations
4. Vendor registration
5. Evaluation and test of the product qualifications
6. Final contract and negotiations
7. PO for product supply

This entire process is time intensive and often takes more than 15 months to qualify as a supplier during which the vendor is evaluated by the OEM. The vendors also need to institute quality and tracking procedures for all products that are supplied which demands a higher order quality control.

Once a contract is awarded by an OEM to a supplier for a critical component, the OEM and the supplier typically spend significant amount of time and capital on design, manufacturing, first article inspection, testing & certifications for product specific equipment such as tooling. Any new supplier will need to undergo the same process. OEMs are reluctant to switch suppliers as there are high switching costs unless the current suppliers are unable to meet the requirements on quality, cost, or delivery.

Comparison of Indian, Chinese, and other global players

Players that are well integrated into the value chain have an edge in their execution capability as witnessed for Chinese and other global players. Few Indian players have also developed similar capability. Global players who have scale are able to effectively utilize labour resources to achieve better operational effectiveness, gaining an advantage.

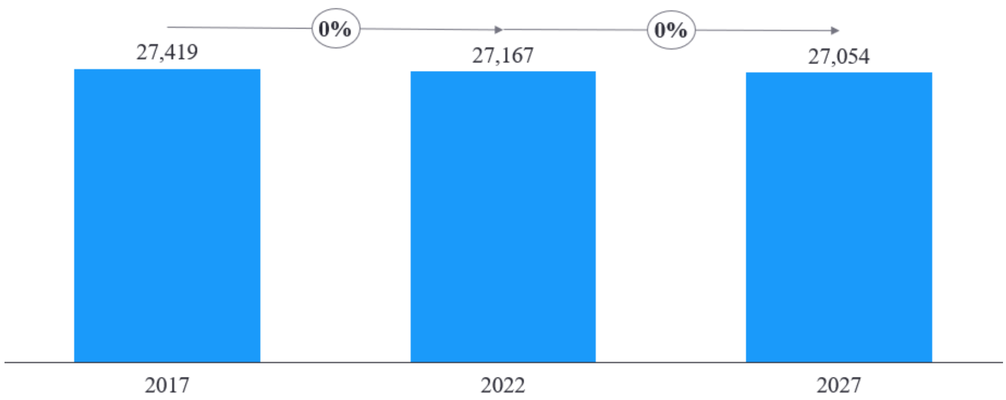
ENERGY TURBINE COMPONENTS

MARKET REVIEW AND OUTLOOK

Overall power turbine components market and outlook

The overall global market for components of a turbine used for power generation in 2022 is INR 27,167 Cr & is expected to be INR 27,054 Cr by 2027.

Overall power turbine components market (INR Cr) (2017-22)



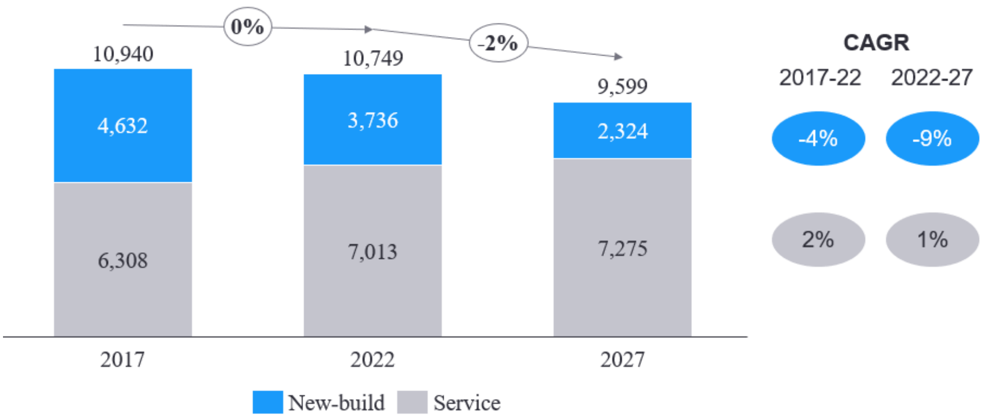
Source: IEA World Energy outlook dated October 2022, Global energy monitor January 2023, Global energy monitor February 2023, World Nuclear Association accessed July 2023, IAEA reports
Note: 1. Overall turbine components market includes blades market for coal, nuclear and gas turbines. Additionally, it includes non-blades market for gas turbines and diaphragm market for nuclear turbines.
2. The market forecast for power turbine (coal and gas) components is based on the STEPS scenario of IEA.

Turbine blades market can be divided into two types of market basis the market that they cater to –

1. ***New-build market*:** Constitutes the market for turbine blades from contracts for the construction of new power plants and those currently under development.
2. ***Service market*:** Turbines have a limited operational lifespan depending on the fuel type for the power generation and other operational factors. At the end of the operational period or in the case of unforeseen breakdown these blades need to be replaced which generates demand for blade manufacturers.

The overall global market for blades of a turbine used for power generation in 2022 was INR 10,749 Cr & is expected to be INR 9,599 Cr by 2027.

Overall power turbine blades market (INR Cr) (2017-22)



Source: IEA World Energy outlook dated October 2022, Global energy monitor January 2023, Global energy monitor February 2023, World Nuclear Association accessed July 2023, IAEA reports
Note: 1. Overall turbine blades market includes market for coal, nuclear and gas turbines.
2. The market forecast for power turbine (coal and gas) components is based on the STEPS scenario of IEA.

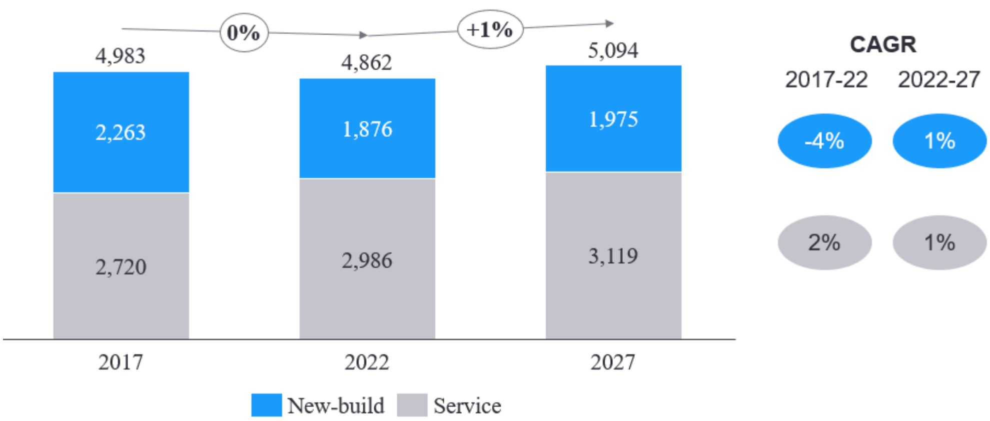
Global gas power turbine blades market

The demand of gas turbine is dependent on the demand for natural gas power plants. The International Energy Agency predicts a 2.5% growth in global natural gas demand for the next decade which is driven by multiple factors such as:

1. Demand of turbines led by growth of gas-based power generation in countries that have access to natural gas or have set up LNG facilities to source gas through contracts
2. ***Switch to Natural Gas*** - Countries across the world are opting for natural gas as a more environment friendly option for power generation to reduce their impact and achieve net-zero emissions by 2050.

The global gas turbine blades market in 2022 was INR 4,862 Cr & is expected to go up to INR 5,094 Cr by 2027. Service market for gas turbines account for ~60% in 2022 as well as 2027.

Global gas power turbine blades market (INR Cr) (2017-27)



Source: IEA World Energy outlook dated October 2022, Global energy monitor February 2023.
Note: 1. The market forecast for gas power turbine components is based on the STEPS scenario of IEA.

New gas power turbine blades market is directly linked to the growth of use of gas power, and these are linked with the sale of turbines as sold by the OEMs. The replacement is determined by the age of gas turbines, maintenance cycle lengths & overall new technology push.

Global nuclear power turbine blades market

Global nuclear power turbine blades market is estimated to be roughly INR 364 Cr in 2022 and is projected to reach INR 536 Cr by 2027 at a CAGR of 8% between 2022-27. Both the new-build and service-related market for nuclear turbines blades is expected to increase by 2027 driven by growing nuclear power generation capacity and hence, reactors globally.

The growth in the nuclear turbine blades market is directly associated to the growth of the overall nuclear power industry. Some of the key drivers for the nuclear power industry are –

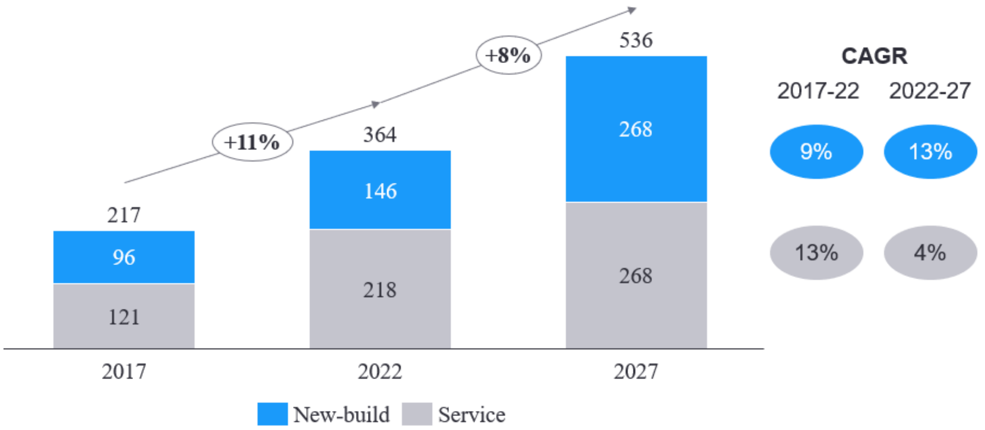
1. ***Focus on clean energy*** – Countries across the globe are focusing on controlling their effect on global warming with a higher focus on alternate energy sources like renewables and nuclear power.
2. ***Expected adoption of SMR technology by developing nations*** – Developing economies across the world are showing

an interest in SMR technology due to cost advantages. About 80 SMR technologies are currently being developed and the volume of orders from these reactors are expected to increase due to lower set-up time and use of standardized components.

New-build market: Over the years, there has been an increase in the number of new nuclear power plants with an expectation of future growth driven by the number of power plants which are currently under construction and set to begin operations in the next five years.

Maintenance market: Typically, reactor turbines have an operational lifespan ranging from 25 to 30 years. But there is a maintenance market targeting reactors of this age bracket.

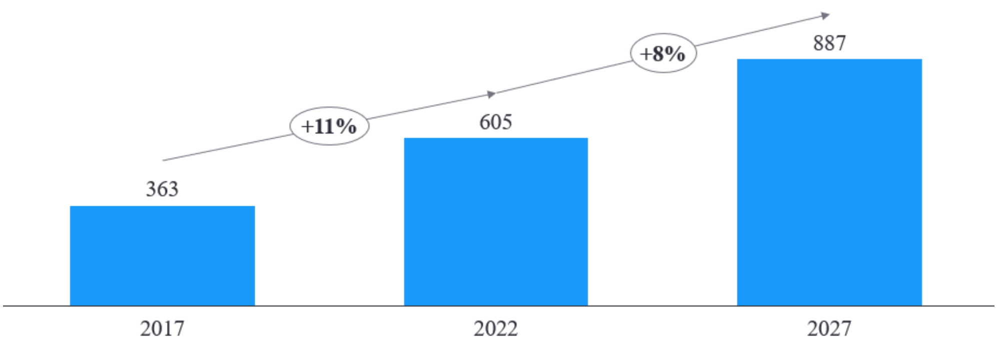
Global nuclear power turbine blades market (INR Cr) (2017-27)



Source – World Nuclear Association accessed July 2023, IAEA reports

The overall market for diaphragm used in nuclear power plant turbines is INR 605 Cr in 2022 & is expected to be INR 887 Cr in 2027 with an estimated CAGR of 8% in 2022-27.

Global nuclear power turbine diaphragm market (INR Cr) (2017-2027)

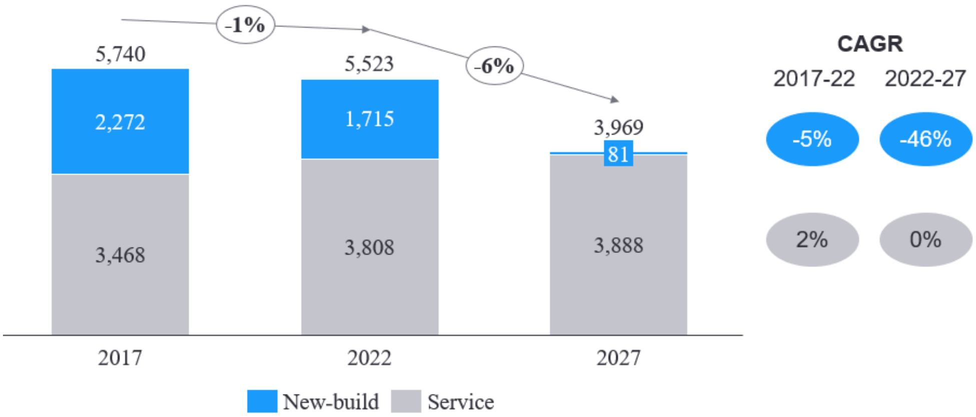


Source: World Nuclear Association accessed July 2023, IAEA reports

<u>Global coal power turbine blades market</u>

The global coal power turbine blades market in 2022 was INR 5,523 Cr & is expected to be INR 3,969 Cr by 2027. Service market for coal power turbines is expected to account for majority of the market by 2027.

Global coal power turbine blade market (INR Cr) (2017-27)

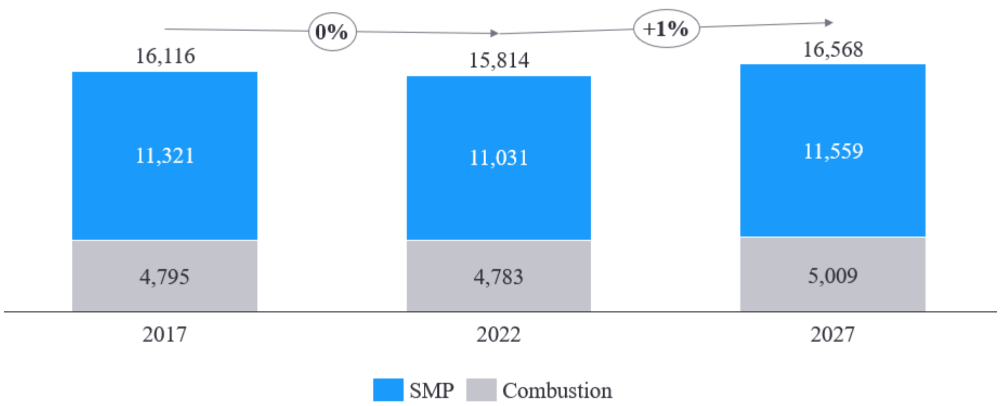


Source: IEA World Energy outlook dated October 2022, Global energy monitor January 2023.
Note: 1. The market forecast for coal power turbine components is based on the STEPS scenario of IEA.

Power turbine components (non-blades) market & outlook

Apart from power turbine blades, the other relevant components of a turbine include Special Machined Parts (SMP) & Combustion chamber. The overall market for non-blade components for gas power turbines is INR 15,814 Cr in 2022 & is expected to be INR 16,568 Cr in 2027 with an estimated CAGR of 1% in 2022-27.

Global gas power turbine components (non-blades) market (INR Cr) (2017-2027)

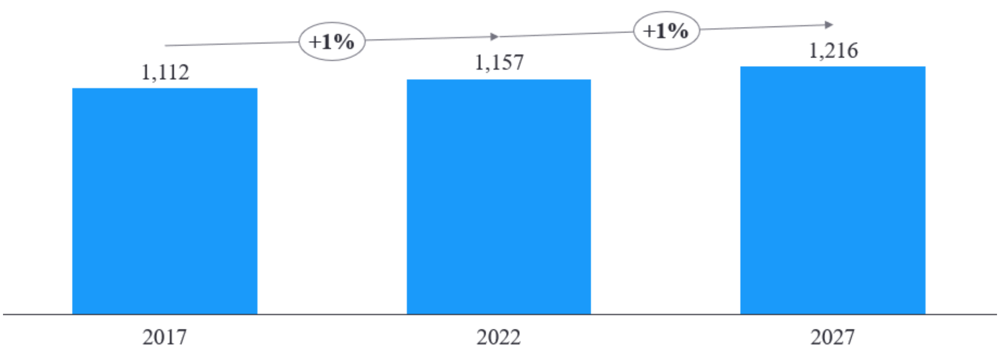


Source: IEA World Energy outlook dated October 2022, Global energy monitor February 2023.
Note: 1. The market is relevant to gas turbines only.
2. The market forecast for gas power turbine components is based on the STEPS scenario of IEA.

Industrial gas turbine blades market & outlook

The overall market for blades for industrial gas turbines is INR 1,157 Cr in 2022 & is expected to be INR 1,216 Cr in 2027 with an estimated CAGR of 1% in 2022-27.

Global industrial gas turbine blades market (INR Cr) (2017-2027)



Source: IEA World Energy outlook dated October 2022
Note: The market forecast for industrial gas turbine components is based on the STEPS scenario of IEA.

Competition Landscape for Energy Turbine Components

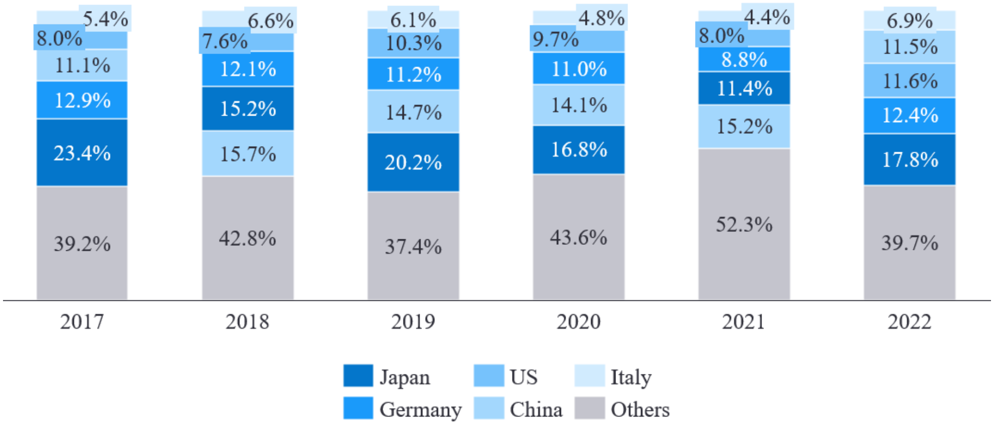
Industry structure

The turbine and its component manufacturing industry has a two-tiered structure where there are large players (OEMs) which are involved in research and development, design, manufacturing, and assembly of turbines. Then there are downstream manufacturing companies who have the capability of supplying a few critical components to the OEMs.

Global and Indian trade

Japan, Germany, and US have been a major exporters of turbine parts and contribute more than half of the global exports while India's share of global exports in turbine parts stood at ~4% in 2022.

Top 5 countries exporting turbine parts (US$ Bn) (2017-22)

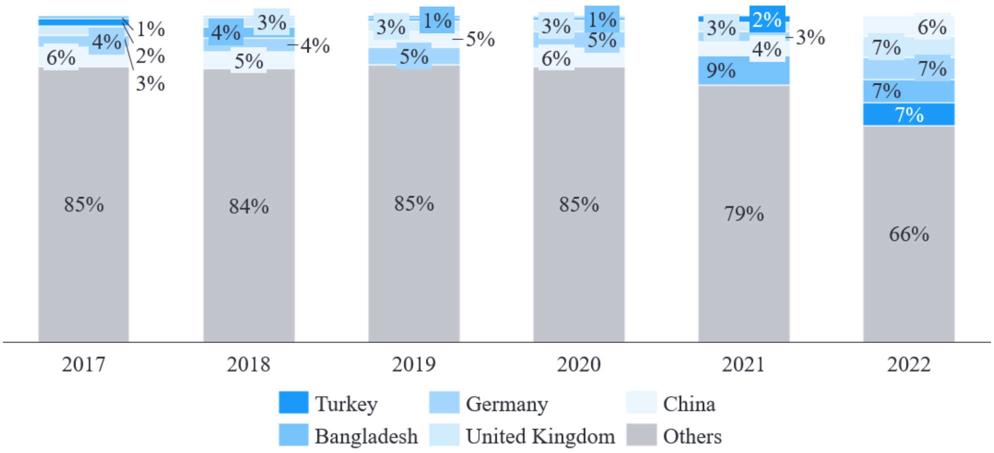


Source – ITC trade map
Note - HS Code 84069 refers to "Parts of turbines" (As per Ministry of Corporate Affairs, MCA) Global data is being analyzed using CY data instead of FY data

<u>*Global trade by importing countries*</u>

Turkey, China, Germany, UK, and Bangladesh have been a significant importers of turbine parts accounting for a third of global imports in 2022. India share of imports by value has hovered around 3-5% of the total imports in the last 5 years.

Top 5 nations importing turbine parts (US$ Bn) (2017-22)



Source – ITC trade map
Note –HS Code 84069 refers to "Parts of turbines" (As per Ministry of Corporate Affairs, MCA). Global data is being analyzed using CY data instead of FY data

Value chain for the turbine manufacturing market

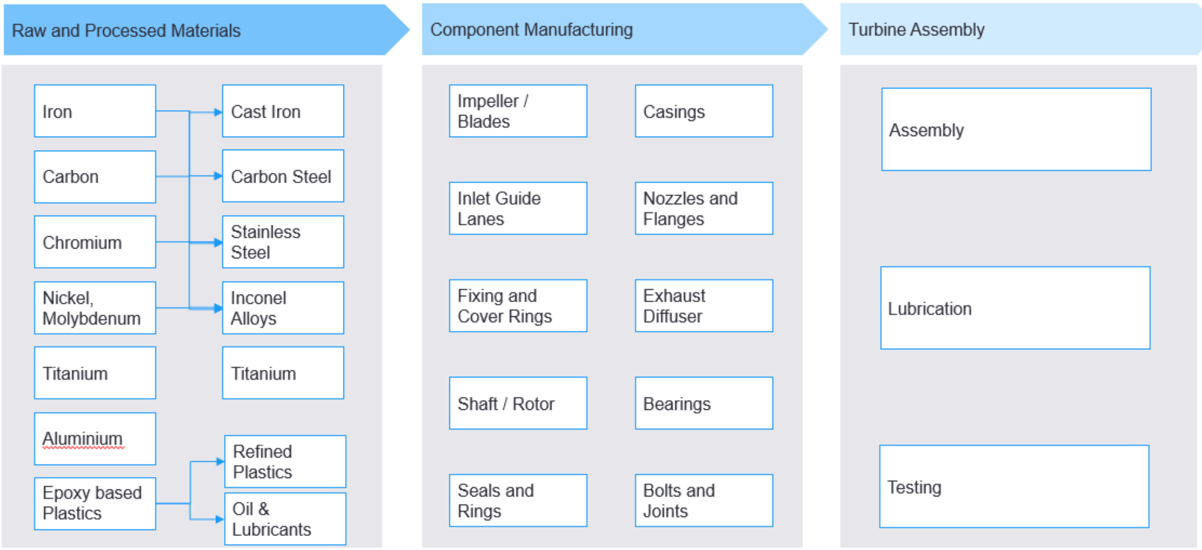
Turbine manufacturing value chain can be broadly divided into three parts:

1. Suppliers of raw and processed materials
2. Component manufacturers
3. Turbine assembly

Companies operating within the turbine assembly segment of the value chain play a crucial role in delivering the end product to customers, namely power plants. In addition to assembling the turbines, these companies have expertise in design, research, and development, as well as manufacturing. But they also outsource part of their manufacturing processes to machining and manufacturing firms, which provide the necessary turbine components based on specific requirements.

Both, downstream manufacturing players and turbine manufacturers have their respective supply chains through which they acquire raw materials and processed materials from various sources.

Turbine manufacturing Industry Value-Chain



Source: Global Value Chain and Manufacturing Analysis on Power Plant Turbines, NREL
Note: Examples in the raw and processed materials, components and turbine assembly are not exhaustive

Key players manufacturing turbine components

There are several players in the BTG (Boiler, Turbine and Generator) equipment space, catering to the needs of the power plants in the country. Several private companies have entered this space by partnering with domestic companies. Many of these companies / JVs have either developed an integrated facility capable of manufacturing a number of components that goes into a turbine, or they assemble a turbine by outsourcing parts like blades, rotor casing, and other components.

Some of the prominent players operating in the domestic BTG equipment industry are - L&T MHI Power Turbine Generators Pvt. Ltd., Triveni Turbines Ltd., and others. Some of these manufactures blade inhouse, while others only design and outsource the manufacturing part.

Prominent domestic and global BTG equipment players which hold the capability of manufacturing turbine blades include –

Azad Engineering Ltd.:

Azad Engineering Ltd. started its core manufacturing in 2008 and is a player in the energy turbine and aerospace & defence components market. It is also a manufacturer of oil & gas components. In energy turbine sector, the company produces rotors and blades for gas turbines and moving and guide blades for variety of steam turbines. The company has high-precision manufacturing ability and caters to prominent OEMs in the energy sector. The company's manufacturing infrastructure comprises four facilities in India, at Hyderabad with a total manufacturing area of 20,000 sq. meters.

Details of other players

The details about other key players manufacturing turbine components are mentioned below.

Details of key players manufacturing turbine components

Players	Key products	Key services	Manufacturing locations	Markets served
L&T MHI Power Turbine Generators Pvt. Ltd.	• Steam turbines • Generators	• Engineering consulting • Equipment maintenance • Technical support	India	Domestic (India) & export
Triveni Turbines Ltd.	• Steam turbines	• Installation • Maintenance support • Complete plant service across plant island &	India	Domestic (India) & export

Players	Key products	Key services	Manufacturing locations	Markets served
		balance of plant		
SIFCO Industries Inc.	• Steam turbines • Gas turbines • Discs, shafts & gears • Blades and vanes	• Turbine repair & maintenance service • Digital plant support solutions	USA, Italy	Domestic (USA / Italy) & export
Pietro Rosa TBM	• Airfoils for jet engine, gas turbine & steam turbine • Engine mounts • A-frame	• Engineering and design services	USA, Italy	Domestic (USA / Italy) & export

Source: Company websites
*Note: SIFCO Industries Inc. acquired Italy-based C*Blade S.p.a., which also has capabilities in steam and gas turbines and aerospace parts in 2015*

Operational benchmarking of key players

Value chain presence

As mentioned in the previous section, players operating in the assembly segment of the value chain have the manufacturing expertise along with the designing and R&D capability. Part of their manufacturing work is outsourced to smaller companies who hold the manufacturing capability and can provide critical components, as per specific design and requirement.

Value chain presence of key players

	Component Manufacturer	Final turbine assembly
Azad Engineering Ltd.	✓	✗
L&T MHI Power Turbine Generators Pvt. Ltd. (OEM)	✓	✓
Triveni Turbines Ltd. (OEM)	✓	✓
SIFCO Industries Inc.	✓	✗
Pietro Rosa TBM	✓	✗

Source – Company websites

Segmental presence of various players

Most players are focused on coal and gas power plants, with many specializing in both steam and gas turbines. However, some players focus exclusively on one of these technologies. These companies manufacture various components such as turbine blades, fasteners, nozzles, and other crucial parts.

Segmental presence of various players

Company name	Sectors served	Specialization in turbine type	Components manufactured
Azad Engineering Ltd.	Coal, Gas, Nuclear	Gas + Steam Turbines	Blades, fasteners, other hardware
L&T MHI Power Turbine Generators Pvt. Ltd.	Coal and Gas	Steam Turbine	Blade, Stator/Rotor Coil
Triveni Turbines Ltd.	IPP, CPP	Steam Turbine	Casings, rotors, blades, labyrinth packing, oil seal holders
SIFCO Industries Inc.	Coal and Gas	Gas + Steam Turbines	Turbine Blades, Vanes, Shafts
Pietro Rosa TBM	Coal and Gas	Gas + Steam Turbines	Airfoils

Source – Company websites
Note: IPP and CPP refers to Independent Power Producer and Captive Power Plant, respectively.

Financial benchmarking of key players

Revenue comparison of key players

Azad engineering Ltd. is one of the fastest growing manufacturers amongst the competitors listed below.

Revenue comparison of competitors 2020-2023 *(INR Cr.), CAGR (2020-23)*

Company	2020	2021	2022	2023	CAGR
Triveni Turbines Ltd.	832	722	882	1,290	15.7%
SIFCO Industries Inc.	936	820	691	-	-14.0%
L&T MHI Power Turbine Generators Pvt. Ltd.	841	762	625	361	-24.6%
Pietro Rosa TBM	-	435	538	-	-
Azad Engineering Ltd.	124	125	198	254	27.2%
C*Blade S.p.a.	-	141	136	-	-

Source – Financials reports published in MCA, Company annual reports, SEC filings, Italian business register
Note: 1. For Indian Players, financials are for FY20-FY23.
2. For Foreign Players, figures are converted using latest conversion rates
*3. For C*Blade S.p.a., financials are for year ending Sept 21 and Sept 22*
4. CAGR for SIFCO Industries Inc.is for 2020 – 22 due to lack of 2023 financial data.

Comparison of EBITDA margin of key players

All Indian players are found to have a positive EBITDA margin. Azad Engineering Ltd.'s EBITDA margin stood at ~31% in FY23 which is one of the highest margins compared to the competitors listed below.

EBITDA margin comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Triveni Turbines Ltd.	20.5%	23.1%	21.8%	21.4%
SIFCO Industries Inc.	10.0%	-0.3%	-10.4%	-
L&T MHI Power Turbine Generators Pvt. Ltd.	21.6%	16.4%	17.5%	13.3%
Pietro Rosa TBM	-	0.1%	2.4%	-
Azad Engineering Ltd.	34.7%	26.4%	32.5%	30.9%
C*Blade S.p.a.	-	7.8%	-4.1%	-

Source – Financials reports published in MCA, Company annual reports, SEC filings, Italian business register
Note: 1. For Indian players, financials are for FY20-FY23
*2. For C*Blade S.p.a., financials are for year ending Sept 21 and Sept 22*

Comparison of PAT margin of key players

Azad Engineering Ltd. and Triveni Turbines Ltd. have had consistently positive net profit margins.

PAT margin comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Triveni Turbines Ltd.	13.5%	16.8%	8.2%	14.9%
SIFCO Industries Inc.	8.1%	-0.7%	-11.5%	-
L&T MHI Power Turbine Generators Pvt. Ltd.	5.8%	4.7%	1.6%	-14.7%
Pietro Rosa TBM	-	-2.7%	-0.7%	-
Azad Engineering Ltd.	17.1%	10.8%	14.1%	17.7%
C*Blade S.p.a.	-	1.9%	-10.4%	-

Source – Financials reports published in MCA, Company annual reports, SEC filings Italian business register
Note: 1. For Indian players, financials are for FY20-FY23
*2. For C*Blade S.p.a., financials are for year ending Sept 21 and Sept 22.*

Comparison of ROCE of key players

Return on Capital Employed for Azad Engineering Ltd. and Triveni Turbines Ltd. was ~20% in 2022.

ROCE comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Triveni Turbines Ltd.	27.4%	22.6%	19.8%	33.0%
SIFCO Industries Inc.	12.5%	-1.8%	-14.0%	-
L&T MHI Power Turbine Generators Pvt. Ltd.	11.8%	10.6%	6.4%	0.1%
Azad Engineering Ltd.	29.4%	16.4%	19.7%	16.3%

Source – Financials reports published in MCA, Company annual reports, SEC filings
Note: For Indian players, financials are for FY20-FY23

Key success factors in the industry

Key success factors in the industry include –

1. ***Quality of products*** – As the products go into super critical and expensive end use applications, the products are of the highest quality and quality assurance are critical with "zero parts per million" defects requirement. Superior manufacturing demands a unique blend of expertise, innovation, quality, and advanced safety controls in the industry which cannot be obtained by only installing CNC machines.

2. ***Pricing*** - Outsourcing by OEMs is primarily driven by the potential for cost saving; Indian players are 20-30% cheaper compared to European players.
3. ***Adherence to delivery timelines*** - OEMs face the risk of penalties from end customers for delay in adhering to service and order timelines; they in turn require vendors to deliver on schedule and quality
4. ***Geographic Location*** – Geo-political risks associated with supplier locations are closely monitored by the OEMs. Locations with low geopolitical risk are preferred for developing a supplier base, and India is increasingly being considered a strategic procurement destination by all OEMs.
5. ***Scale of Operations*** - OEMs prefer to work with suppliers capable of scaling over time, aiming for consolidation in the supplier base with a reasonable share diverted towards each supplier.

Additionally, the industry has a significant entry barrier due to a lengthy qualification process for the energy components due to criticality of components. The vendors must go through separate qualification process for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps mentioned below –

1. Identification and understanding the vendor
2. Assessment and audit of the technical capabilities for the vendor
3. RFQ and negotiations
4. Vendor registration
5. Evaluation and test of the product qualifications
6. Final contract and negotiations
7. PO for product supply

This entire process is time intensive and often takes more than 15 months to qualify as a supplier during which the vendor is evaluated by the OEM. This is in addition to the time taken for set-up of manufacturing infrastructure and facilities.

Once a contract is awarded by an OEM to a supplier for a critical component, the OEM and the supplier typically spend significant amount of time and capital on design, manufacturing, first article inspection (FAI), testing & certifications for product specific equipment such as tooling. Any new supplier will need to undergo the same process. OEMs are reluctant to switch suppliers as there are high switching costs unless the current suppliers are unable to meet the requirements on quality, cost, or delivery.

Comparison of Indian, Chinese, and other global players

Chinese and Indian players possess a competitive advantage due to the lower labor costs in these countries when compared to OECD countries. The attractiveness of China has reduced due to growing geopolitical tensions and also rising labour costs. Products that have significant IP may also be at risk as the US restricts such IP from being transferred.

DRILLING EQUIPMENT

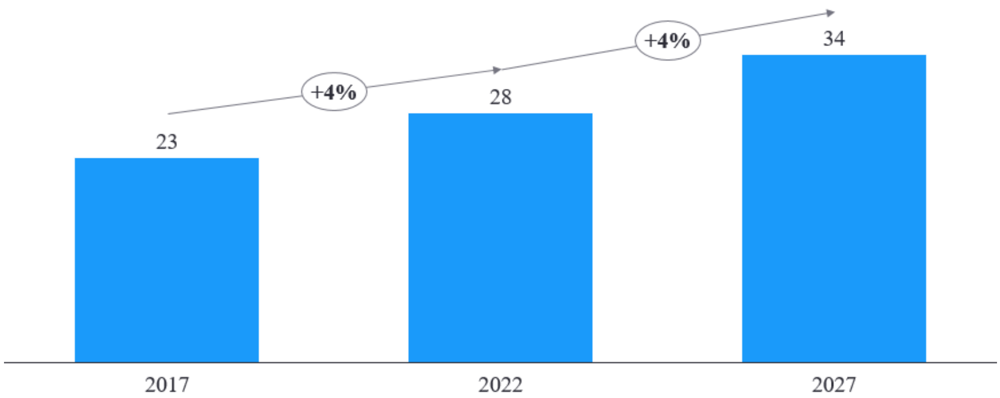
MARKET REVIEW AND OUTLOOK

The global oil and gas drilling tools market caters to the needs of the oil and gas industry by supplying specialized equipment essential for drilling during exploration, production, and resource extraction. This market plays a vital role in facilitating efficient and effective drilling operations in both onshore and offshore environments. Azad Engineering Ltd. manufacturers components of drilling rigs (such as drill bits) and downhole drilling tools (such as reamers).

Overall drill bits market and outlook

The overall market for drill bits in 2022 is INR 28k Cr which is expected to reach INR 34k Cr by 2027 with an estimated compounded annual growth of 4% between 2022 – 27. This growth is largely driven by the growth in exploration and production (E&P) spending globally.

Drill bits market (INR'000 Cr) (2017-27)

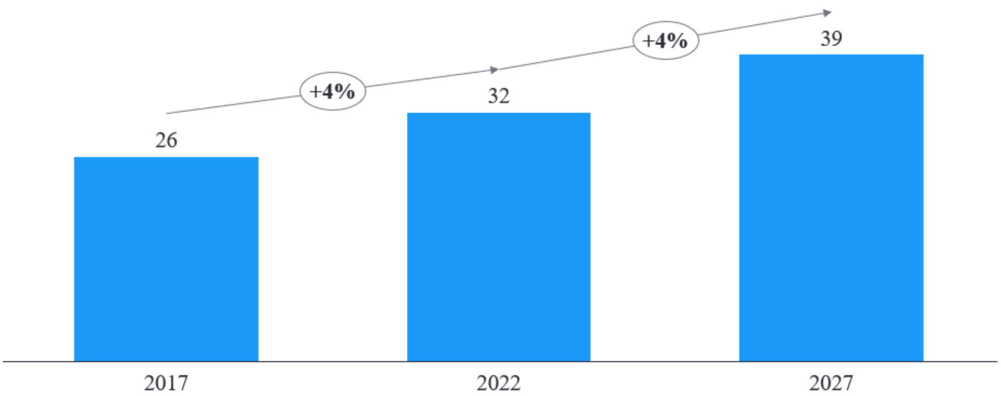


Source: IEF, S&P Global Upstream Oil and Gas Investment Outlook, dated February 2023, Schlumberger, Ltd. corporate overview
Note: This includes overall drill bits market which is supplied by large OFSE players such as Schlumberger, Ltd., Baker Hughes etc. and doesn't specifically take into account the outsourcing share in this market.

Overall downhole drilling tools market and outlook

The overall market for downhole drilling tools includes market for products such as reamers. This market was estimated to be INR 32k Cr in 2022 & is expected to reach INR 39k Cr by 2027 with an estimated compounded annual growth of 4% between 2022 – 27. Similar to drill bits market, this growth is also largely driven by the growth in exploration and production (E&P) spending globally.

Downhole drilling tools market (INR'000 Cr) (2017-27)



Source: IEF, S&P Global Upstream Oil and Gas Investment Outlook, dated February 2023, Schlumberger, Ltd. corporate overview
Note: This includes overall downhole drilling tools which is supplied by large OFSE players such as Schlumberger, Ltd., Baker Hughes etc. and doesn't specifically take into account the outsourcing share in this market.

The major driving factors behind the increasing demand of drilling equipment are:

1. ***Technological advancements in drilling*****:** Drilling techniques and technologies are becoming more advanced resulting in greater efficiency and safety allowing exploration of areas that were too expensive earlier such as deep water and ultra-deep water.
2. ***Offshore E&P activities*****:** Area under offshore drilling has expanded adding to the demand of advanced drilling equipment
3. ***New infrastructure & pipeline development activities*****:** Due to changes in the political landscape, multiple new pipelines are being developed & further new infrastructure is being built which are creating demand for equipment using in piping gas and oil.
4. ***Increased funding by players in upstream sector*****:** The investment in upstream sector is increasing at global level as the demand for energy continues to increase.

The major risks to the demand of drilling equipment are:

1. ***Technological and operational risks*****:** Technological advancements can result in obsolescence of some equipment which will require vendors to keep abreast of new technologies.
2. ***Demand fluctuations:*** Changes in global energy consumption, push for adoption of renewable energy sources, and energy efficiency trends can impact the demand for oil and gas.

COMPETITION LANDSCAPE FOR DRILLING EQUIPMENT

Industry overview

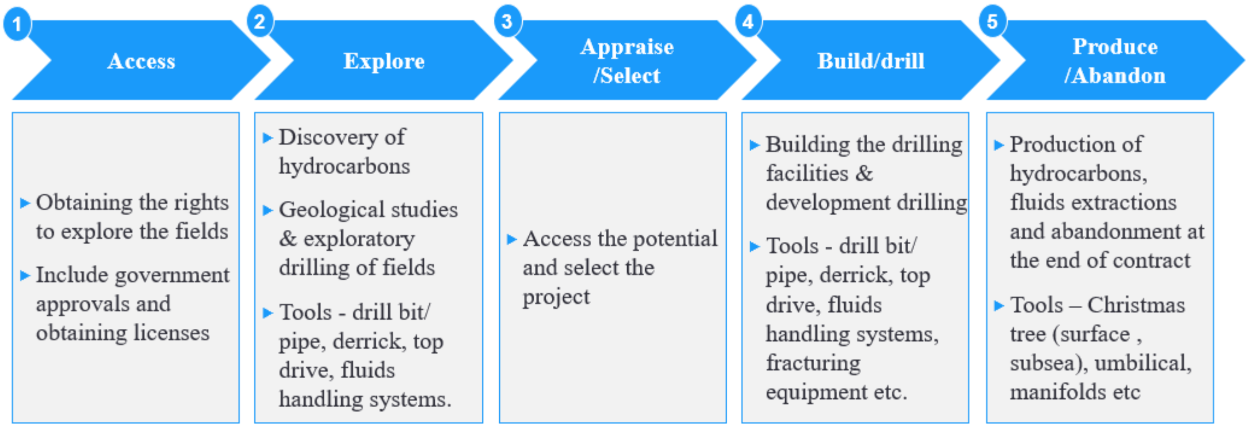
The Oil field service and equipment (OFSE) market in complex and has several value chains that vary across the geographies. The companies follow various business models and are present across few or all parts of value chains. While some players manufacture components, some are involved in drilling and production, and some do both. Several players like Baker Hughes takes up contracting jobs as well.

The market is dominated by several large integrated players like Schlumberger, Ltd., NOV Inc., Halliburton, Pioneer energy services, Superior energy services Inc., GE oil and gas, C&J energy services Ltd., Expro group holding N.V., Baker Hughes etc. These players primary engage in drilling activities along with manufacturing of the drilling and equipment and hence aren't direct competitors to machining companies. On a technological level, there is low differentiation among the OFSE players and hence there have been rise of new players in the space.

Value chain

The value chain for E&P starts from obtaining a license for exploration followed selection, drilling, production of hydrocarbons and finally abandonment at the end of contract. The tools are primarily used in exploration for exploratory drilling, in development drilling and in production.

Value chain for exploration and production (E&P)



Source: E&M combustion article, accessed August 2023

Key players machining for drilling equipment

Azad Engineering Ltd.:

Azad Engineering Ltd. started its core manufacturing in 2008 and is a player in the energy turbine, aerospace & oilfield drilling equipment market. Within oilfield drilling components, the company supplies drill bits, reamers, slips amongst others.

Details of other players

The details about other key players machining for the oilfield drilling equipment are mentioned below.

Details of key players machining for drilling equipment

Players	Key products	Key services	Manufacturing locations	Markets served
United Drilling Tools Ltd.	• Wireline winch • Gas lift equipment • Downhole tools • Connectors	• Bottom hole assembly and drilling solutions	India	Domestic (India) & export
Drilling Tools International Corp.	• Desanders • Valves • Roller reamers	• Directional & premium tools rental services • Downhole inspection services • Wellbore optimization	USA	Domestic (USA) & export

Players	Key products	Key services	Manufacturing locations	Markets served
Schoeller-Bleckmann Oilfield Equipment AG	• Reamers • Hole openers • Non-magnetic drill collars • Circulations & completion equipment	• Repair & maintenance services	Germany, Austria, USA	USA & Europe

Source: Company websites

Operational benchmarking of key players

Value chain presence of players

Almost all key players provide individual components, systems, and services across the segment. Players such as Azad Engineering Ltd. focus more on machining of components than end-user service.

Value chain presence of players

	Components	Systems	Services
Schoeller-Bleckmann Oilfield Equipment AG	✓	✓	✓
Drilling Tools International Corp.	✓	✓	✓
Azad Engineering Ltd.	✓		
United Drilling Tools Ltd.	✓	✓	✓

Source: Company websites

Segmental presence of players

International players such as Schoeller-Bleckmann Oilfield Equipment AG and Drilling Tools are present across drilling and completion segments while Indian players are generally present only in two segments. The largest India player United Drilling Tools Ltd. provides products in drilling and completion but does not operate in the flow control segment.

Segmental presence of players

	Drilling tools	Circulation / flow control tools	Completion tools
Schoeller-Bleckmann Oilfield Equipment AG	✓	✓	✓
Drilling Tools Intl. Corp.	✓	✓	✓
Azad Engineering Ltd.	✓		
United Drilling Tools Ltd.	✓		✓

Source: Company websites

Financial benchmarking of key players

Revenue comparison of the key players

Indian enterprises are far smaller when compared to global players such as Schoeller-Bleckmann Oilfield Equipment AG.

Revenue comparison of competitors 2020-2023 (INR Cr), CAGR (2020-23)

Company	2020	2021	2022	2023	CAGR
Schoeller-Bleckmann Oilfield Equipment AG	2,706	2,791	4,709	-	31.9%
Azad Engineering Ltd.	124	125	198	254	27.2%
United Drilling Tools Ltd.	115	147	176	120	1.6%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note: 1. Drilling Tools International Corp. is not considered due to lack of periodic revenue data, 2. CAGR between 2020 – 22 is considered for Schoeller-Bleckmann Oilfield Equipment AG due to lack of 2023 financial data, 3. For Azad Engineering Ltd., the total company financials are considered not the oil and gas segmental financials, 4. For Indian players, financials are for FY20-FY23.

Comparison of EBITDA margin of the key players

United Drilling Tools Ltd. had a high EBITDA margin of 42.8% compared to 32.5% for Azad Engineering Ltd. and 25.3% for Schoeller-Bleckmann Oilfield Equipment AG in 2022.

EBITDA margin comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Schoeller-Bleckmann Oilfield Equipment AG	5.5%	19.6%	25.3%	-
Azad Engineering Ltd.	34.7%	26.4%	32.5%	30.9%

United Drilling Tools Ltd.	48.8%	29.1%	42.8%	16.4%

Source – Financials reports published in MCA, SEC filings, Company annual reports.
Note: 1. Drilling Tools International Corp. not considered due to lack of periodic revenue data. 2. For Azad Engineering Ltd., the total company financials are considered not the oil and gas segmental financials, 3. For Indian players, financials are for FY20-FY23.

Comparison of PAT margin of the key players

In 2022, Schoeller-Bleckmann Oilfield Equipment AG & Azad Engineering had PAT margin of ~14%.

PAT margin comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Schoeller-Bleckmann Oilfield Equipment AG	-7.3%	6.8%	14.4%	-
Azad Engineering Ltd.	17.1%	10.8%	14.1%	17.7%
United Drilling Tools Ltd.	39.4%	22.3%	28.4%	8.5%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note: 1. Drilling Tools International Corp. not considered due to lack of periodic revenue data. 2. For Azad Engineering Ltd., the total company financials are considered not the oil and gas segmental financials, 3. For Indian players, financials are for FY20-FY23.

Comparison of ROCE of the key players

United Drilling Tools Ltd. had the highest ROCEs compared to others whose ROCE ranges between 15-20% in 2022.

ROCE comparison of competitors 2020-2023

Company	2020	2021	2022	2023
Schoeller-Bleckmann Oilfield Equipment AG	-4.8%	4.9%	16.2%	-
Azad Engineering Ltd.	29.4%	16.4%	19.7%	16.3%
United Drilling Tools Ltd.	31.4%	20.1%	29.5%	6.2%

Source – Financials reports published in MCA, SEC filings, Company annual reports
Note: 1. Drilling Tools International Corp. not considered due to lack of periodic revenue data. 2. For Azad Engineering Ltd., the total company financials are considered not the oil and gas segmental financials, 3. For Indian players, financials are for FY20-FY23.

SUMMARY

Azad Engineering Ltd. is one of the key manufacturers of qualified product lines supplying to global original equipment manufacturers (OEMs) in the aerospace and defence, energy, and oil and gas industries. The company manufactures complex and highly engineered precision forged and machined components that are mission and life-critical and hence, some of these products have a "zero parts per million" defects requirement. The components have been supplied to countries such as USA, China, Europe, Middle East, and Japan since its inception. And hence, the company is a key link in the global supply chain for OEMs / customers.

The company's manufacturing infrastructure comprises four facilities in India, at Hyderabad with a total manufacturing area of ~20,000 sq. meters. Azad Engineering Ltd.'s aerospace and defence products are largely utilized in commercial and defence aircraft to provide propulsion, actuation, hydraulics, and flight control. Within the energy turbine industry, airfoils contribute to majority of the sales for the company. Other than this, the company also supplies other special machined components for energy turbines. At an overall level, the company has delivered 3.09 million units between FY09 to FY23.

The demand for these precision, forged and machined components is driven by requirements relating to aircrafts (commercial and military), energy turbines (industrial, gas, nuclear and coal) amongst others.

Revenue Passenger Kilometer (RPK) for the commercial aircraft industry is expected to increase to 9.5 Bn by 2027, growing at a CAGR of 12% in the period 2022-27. This industry has recovered in 2022 and 2023 after facing headwinds post the Covid-19 pandemic. The Boeing Company & Airbus SE dominate the commercial aircraft industry with over 90% market share. The 2 companies have an order backlog of ~12,000 units as of December 2022. Nearly 87% of these backlog orders were for narrow body aircrafts like Airbus A220, A320 and Boeing 737. In defence segment as well, the world spent US$ 2,148 bn in military expenditure in 2022 which is about 2.1% of global GDP. Azad Engineering Ltd. supplies components to OEMs as well as Tier 1 manufacturers in the aerospace & defence segment. The company has supplied critical components for aircraft platforms such as B737, B737 Max, B747, B777, B777X, A320, A350, A355, A350 XWB, Gulfstream G550, and is in discussions for supply of components for new engine platforms during the preparation of this industry report.

The global energy consumption has increased from 406 EJ in 2017 to 449 EJ in 2022 with annualized growth rate of 2% from 2017-2022. In the energy turbine market, market for both turbines used for power generation and turbines used in industries for applications other than power generation have been included in the report. The industrial turbines are used in industries such as oil and gas, chemicals, marine applications etc. The industrial energy consumption has increased from 143 GW in 2010 to 167 GW in 2021. Out of this industrial energy consumption, more than three-fourths of the market is consumed for non-power end use applications. Global electricity consumption increased from 77 EJ in 2017 to 92 EJ in 2022. Global capacity for power generation stood at 8,185 GW in 2021. Out of this, the global capacity for gas power generation was 1,850 GW, 390 GW capacity for nuclear power generation and 2,184 GW capacity for coal power generation in 2021.

For gas turbines, the total number of orders were 461 units in 2021. Out of 274 orders of gas turbines in H1 2022, GE Power, Siemens Energy and Mitsubishi Power Ltd. are the key manufacturers for gas turbines globally. Similar for steam turbines (which includes multiple fuel types such as fossil, biomass, nuclear etc.), the total number of orders were 610 units in 2021. Out of 323 orders of steam turbines in H1 2022, Siemens Energy & Triveni Turbines Ltd have a combined market share of 37% (based on technology ownership and number of units). Azad Engineering Ltd. supplies components to some of the key manufacturers of energy turbines. In FY23, the company has supplied to the customers which control approximately 70% of the gas turbine market (based on technology ownership and number of units ordered in H1 2022) globally.

In the oilfield industry, the company supplies components like drill bits, reamers that are used in the drilling equipment and are part of the exploration and production phase. In this segment, it has supplied to one of the global manufacturers of drilling equipment.

Among the addressable markets for the company, the market for aerospace and defence components is the largest at INR 99k Cr in 2022 and also expected to have the highest CAGR of +9% by 2027. There is a high variation in expected CAGR between gas, nuclear and coal turbines with highest CAGR expected for components of nuclear turbines (+8% CAGR by 2027) followed by gas turbine (+1% CAGR by 2027). The overall addressable market across aerospace, defence & energy turbine components for the company is expected to grow at +7% CAGR from INR 128k Cr in 2022 to INR 181k Cr in 2027. Additionally, there is addressable market for oilfield drilling components which is expected to grow at +4% CAGR by 2027.

Addressable market size for the company (2022-27) (INR'000 Cr)

Market size	2022	2027	CAGR (2022-27)
Aerospace & Defence components	99	153	9%
Energy turbine components	28	28	0%
Power generation			
Gas turbine blades	4.9	5.1	1%
Gas turbine non-blades	15.8	16.6	1%
Nuclear turbine blades	0.4	0.5	8%
Nuclear turbine diaphragm	0.6	0.9	8%
Coal turbine blades	5.5	4.0	-6%
Industrial gas turbine blades	1.16	1.22	1%
Total addressable market	**128**	**181**	**7%**

Source: Company annual reports, IEA World Energy outlook dated October 2022, Global energy monitor January 2023, Global energy monitor February 2023, World Nuclear Association accessed July 2023, IAEA reports, IEF, S&P Global Upstream Oil and Gas Investment Outlook, dated February 2023, Schlumberger, Ltd. corporate overview

Note: 1. For A&D components market, the market includes the market for five key players: Eaton Corporation Plc, The Boeing Company, Honeywell International Inc., GE Aerospace & HAL

2. The market forecast for energy turbine (coal power, gas power & industrial gas) components is based on the STEPS scenario of IEA.

3. There is an additional addressable market for oilfield drilling equipment market (INR 28k Cr in 2022 for drill bits and INR 32k Cr in 2022 for downhole drilling tools which is expected to increase by +4% CAGR to INR 34k Cr in 2027 for drill bits and INR 39k Cr in 2027 for downhole drilling tools). These market numbers also include overall drill bits & downhole drilling tools market which is supplied by large OFSE players such as Schlumberger, Ltd., Baker Hughes etc. and doesn't specifically take into account the outsourcing share in this market.

Azad Engineering Ltd. increased their revenue from INR 124 Cr in FY20 to INR 254 Cr in FY23 (CAGR of ~27% between FY20 – 23) with an EBITDA margin of 30.9% in FY23. The company is one of the fastest growing manufacturers (in terms of revenue growth for the period between FY20 – 23) with one of the highest EBITDA margins among the key players mentioned in the report for machined components for the key industries serviced by the company.

The energy turbine, aerospace & defence industry have a significant entry barrier due to a lengthy qualification process for the components driven by criticality of their usage. Some of these components are life critical and mission critical and hence, have zero parts per million defect requirements. Superior manufacturing demands a unique blend of expertise, innovation, quality, and advanced safety controls in the industry which cannot be obtained by only installing CNC machines. The vendors must go through separate qualification process for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps (such as assessment & audit of technical capabilities of the vendor, vendor registration, evaluation & test of the product qualifications). This entire process is time intensive and often takes more than 15 months to qualify as a supplier during which the vendor is evaluated by the OEM. The vendors also need to institute quality and tracking procedures for all products that are supplied which demands a higher order quality control.

Once a contract is awarded by an OEM to a supplier for a critical component, the OEM and the supplier typically spend significant amount of time and capital on design, manufacturing, first article inspection, testing & certifications for product specific equipment such as tooling. Any new supplier will need to undergo the same process. OEMs are reluctant to switch suppliers as there are high switching costs unless the current suppliers are unable to meet the requirements on quality, cost, or delivery.

Other than high quality requirement, OEM's vendor selection decision is primarily driven by the potential for cost saving. Hence, the vendors in these industries have to optimize labour cost while maintaining highly skilled labour. There is a preference of OEMs for suppliers which are capable of scaling over time and hence, aim for consolidation in the supplier base with a reasonable share diverted towards each supplier.

Hence, Indian players who are able to pass the stringent qualification process have an edge. Additionally, to ensure consistent supply by the vendors, OEMs also closely monitor geo-political risks associated with supplier locations. Locations with low geopolitical risk are preferred for developing a supplier base, and India is increasingly being considered a strategic procurement destination by OEMs.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 26 for a discussion of the risks and uncertainties related to those statements and also the sections entitled "Risk Factors", "Industry Overview", "Summary of Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 28, 111, 64 and 292, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our "Restated Financial Information" section included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 224. Unless the context otherwise requires, in this section, references to "the Company", "our Company", "we", "us" and "our", are to our Company and our Erstwhile Subsidiaries. Unless the context otherwise requires, references to our "customer" or "customers" shall be deemed to include affiliates or group entities of our customers, as applicable.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Overview for Azad Engineering" dated September 27, 2023 (the "**EY Report**") prepared and issued by EY LLP, appointed by us pursuant to engagement letter dated July 18, 2023 and exclusively commissioned and paid for by us in connection with the Issue. The data included herein includes excerpts from the EY Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the EY Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from EY LLP, appointed by our Company pursuant to an engagement letter dated July 18, 2023. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 40. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 23.*

Overview

We are one of the key manufacturers of our qualified product lines supplying to global original equipment manufacturers ("**OEMs**") in the aerospace and defence, energy, and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components (*Source: EY Report*). We manufacture complex and highly engineered precision forged and machined components that are mission and life-critical and hence, some of our products have a "zero parts per million" defects requirement (*Source: EY Report*). We compete with manufacturers from China, Europe, USA and Japan (*Source: EY Report*). Our customers include global OEMs across the aerospace and defence, energy, and oil and gas industries such as General Electric, Honeywell International Inc., Mitsubishi Heavy Industries, Ltd., Siemens Energy, Eaton Aerospace and MAN Energy Solutions SE.

Our components have been supplied to countries such as USA, China, Europe, Middle East, and Japan since our inception (*Source: EY Report*). Accordingly, we are a key link in the global supply chain for OEMs (*Source: EY Report*). We increased our revenue from ₹1,240.00 million in Financial Year 2020 to ₹2,516.75 million in Financial Year 2023 (CAGR of 27% between Financial Years 2020 and 2023) with an adjusted EBITDA margin of 31.61% in Financial Year 2023. We are one of the fastest growing manufacturers (in terms of revenue growth for the period between Financial Years 2020 – 2023) with one of the highest EBITDA margins among the key players for machined components for the key industries serviced by us (*Source: EY Report*). Our vision is to revolutionize the global precision manufacturing industry and disrupt the industries in which we operate in with cutting-edge technology while contributing towards India's evolving manufacturing ecosystem.

Our products include 3D rotating airfoil/ blade portions of turbine engines and other critical components for (a) defence and civil aircrafts and spaceships, and (b) gas, nuclear and thermal turbines used in industrial applications or energy generation. The demand for such precision, forged and machined components is driven by requirements relating to aircrafts (commercial and military), energy turbines (industrial, gas, nuclear and coal), amongst others (*Source: EY Report*).

Our Company's aerospace and defence products include airfoils/ blades and components for engines, auxiliary power units ("**APUs**"), hydraulics, actuating systems, flight controls, fuel and inerting sections of commercial and defence aircrafts and spacecrafts, among other defence systems and various critical components for missiles. We have supplied critical components to major commercial aircraft manufacturers such as B737, B737 Max, B747, B777, B777X, A320, A350, A355, A350 XWB, Gulfstream G550 and are currently in discussions for supply of components for new engine platforms to various kinds of aircraft manufacturers (*Source: EY Report*). In the energy industry, our Company produces high-precision rotating and stationary 3D airfoils/ blades, special machined parts and combustion component assemblies for land-based turbines with applications in industrial and energy plants using different fuel types such as nuclear, hydrogen, natural gas and thermal. For the oil and gas industry, we manufacture components of drilling rigs such as drill bits and other critical components that are used in drilling equipment and are part of exploration and production phase.

Our Company has been in operations for 15 years and we have substantial experience as a tier 1 supplier of high precision forged and machined components in the aerospace and defence and energy industries (*Source: EY Report*) with sales in 15 countries in the period between March 31, 2021 and June 30, 2023 in the industries in which we operate. The demand for these products is driven by the orders for these components in either new energy turbines (industrial and gas, nuclear and coal energy plants), or the service market (*Source: EY Report*). The demand for both in turn is driven by energy consumption and growth in energy demand. (*Source: EY Report*).

We believe that we have proved our capability by manufacturing and delivering 3.09 million units between Fiscal 2009 to Fiscal 2023 at an overall level. Most of our revenues are derived from exports to global OEMs, backed by long-term contracts and as of June 30, 2023, 90.68% of our total revenue was from contracts with customers located outside India. For Fiscal 2023, our exports and domestic sales amounted to ₹2,023.08 million and ₹493.67 million, respectively, and private, government sales and export incentives amounted to ₹2,337.05 million, ₹176.00 million and ₹3.70 million, respectively. Our total income has grown at a CAGR of 44.63% from ₹1,250.30 million in Fiscal 2021 to ₹2,615.21 million in Fiscal 2023, while having maintained high CAGR in Adjusted EBITDA of 46.45% between Fiscal Years 2021 and 2023.

We have in-house capabilities and proficiency in engineering, design, tooling, material development coupled with a range of finishing and assembly operations focussed on continuous improvements to our manufacturing and quality processes. We believe our process design capabilities and several years of experience of manufacturing life and mission critical portions of turbine engines enable us to develop high quality and cost-effective solutions for the demanding applications of global OEMs, which differentiates us from our global competitors. We are a technology-driven and innovative company with manufacturing facilities and high-quality products meeting global standards.

The qualification process imposed by OEMs is characterized by a significant entry barrier due to a lengthy and stringent qualification process. The vendors are required to go through separate qualification processes for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps (such as assessment and audit of technical capabilities of the vendor, vendor registration, evaluation and test of the product qualifications). This entire process is time intensive and often takes more than 15 months to qualify as a supplier during which the vendor is evaluated by the OEM. The vendors also need to institute quality and tracking procedures for all products that are supplied which demands a higher order quality control. (*Source: EY Report*). With our substantial experience as a tier 1 supplier of highly complex forged and machined project and life critical components in the aerospace and defence and energy industries (*Source: EY Report*), we are a qualified and established supplier to global OEMs operating in highly regulated industries. We are one of their preferred suppliers, which is evident from the consistent awards, repeat orders and recognition received from our customers. We believe that our manufacturing cost advantage results in high margins while retaining our competitive lead. We have been consistently awarded by our customers as one of the most competitive strategic partners in their supply chain.

The components manufactured by us are critical for the functioning of, *inter alia*, worldwide air travel (military and civil) and, energy applications (nuclear, gas, oil and thermal). Considering that we manufacture life-critical and mission-critical components, the margin for error is zero in our manufacturing process for some of our components, which we adhere to by way of our strong quality control systems. Airfoils/ blades and other products are designed to operate at extreme conditions and require a multi-level safety protocol as such engine products are life critical. Considering that the costs are very high in the aerospace and defence and energy industries given the stringent quality checks and certifications that are required to qualify as a supplier, there are significant entry barriers, which makes finding a manufacturing partner a lengthy process of many years for OEMs (*Source: EY Report*). We believe that it would ideally take 15-20 years for a new player in our industry to reach the position we currently occupy in the market.

Among the addressable markets for our Company, the market for aerospace and defence components was the largest at ₹990 billion in Financial Year 2022 and is expected to go up to ₹1,530 billion by Financial Year 2027 with the highest CAGR of +9% by 2027 (*Source: EY Report*). We supply components to six of the key manufacturers in the aerospace and defence industries (*Source: EY Report*).

The overall global energy turbine components market for application in industrial and energy generation in Financial Year 2022 was ₹283.25 billion and is expected to be ₹282.70 billion by Financial Year 2027 (*Source: EY Report*). There is a high variation in expected CAGR between gas, nuclear and coal turbines with highest CAGR expected for components of nuclear turbines (+8% CAGR by Financial Year 2027) followed by gas turbine (+1% CAGR by Financial Year 2027) (*Source: EY Report*). In Financial Year 2023, we have supplied to customers which control approximately 70% of the gas turbine market (based technology ownership and number of units ordered in first half of Fiscal 2022) globally (*Source: EY Report*). We supply components to five of the key manufacturers in the turbine manufacturing industry (*Source: EY Report*).

The overall market for drill bits in Financial Year 2022 was ₹280 billion which is expected to reach ₹340 billion by Financial Year 2027 with an estimated compounded annual growth of 4% between Financial Years 2022 – 2027 (*Source: EY Report*). The overall market for downhole drilling tools includes market for products such as reamers and this market was estimated to be ₹320 billion in Financial Year 2022 and is expected to reach ₹390 billion by Financial Year 2027 with an estimated compounded annual growth of 4% between Financial Years 2022 – 2027 (*Source: EY Report*). We have supplied components to one of the global manufacturers in the drilling equipment manufacturing industry (*Source: EY Report*).

The overall addressable market across aerospace and defence and energy components for our Company is expected to grow at +7% CAGR from ₹1,280 billion in Financial Year 2022 to ₹1,810 billion in Financial Year 2027 2027 (*Source: EY Report*). Additionally, the addressable market for oilfield drilling components is expected to grow at +4% CAGR by Financial Year 2027 (*Source: EY Report*).

As a strategic and growth partner to customers across highly regulated industries, we enjoy long-term relationships with high customer stickiness and a high percentage of repeat business, which allows us to have long-term contracts, a stable customer base and strong visibility on long term revenue. Further, we believe that our long-term relationships with our clients and a deep understanding of their requirements will assist us in expanding our product offerings into adjacent turbine engine components and assemblies.

We have four advanced manufacturing facilities in Hyderabad, India, capable of producing high precision forged and machined components with a total manufacturing area of approximately 20,000 square metres. Further, we have two manufacturing facilities in the pipeline at (a) Tuniki Bollaram village in Siddipet district, Telangana and (b) Mangampet village, Sangareddy district, Telangana, with a total manufacturing area of 94,898.78 square metres and 74,866.84 square metres, respectively. The construction and development of these proposed manufacturing facilities are intended to be funded from our internal accruals. Our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana is proposed to have dedicated and exclusive manufacturing setups for our customers. We plan to initially introduce this exclusive manufacturing setup for production of critical and complex components such as airfoils/ blades and other special machined parts for gas and thermal turbines for Mitsubishi Heavy Industries, Ltd., one of our long-standing customers.

We have a diversified Board, which is supplemented by our strong professional management team, with relevant experience in the engineering and manufacturing industries. Our Promoter i.e., Rakesh Chopdar has helped expand our operations within India and globally and has been associated with our Company as a director since 2003. We believe our qualified and committed management team also empowers us to seize market prospects, originate and implement business plans, manage customer prospects, and evolve to changing market conditions.

Product Categories

Our diversified product ranges across aerospace and defence, energy, and oil and gas industries. The products that we manufacture are highly engineered, complex, mission and life critical high precision forged and machined components, which we believe, makes us stand out as a strategic partner to OEMs in the industries in which we operate. As of June 30, 2023, we have approximately 45 qualified manufacturing processes and 1,400 qualified parts and components. Details of key products manufactured by us are set out below:

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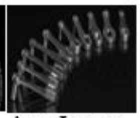
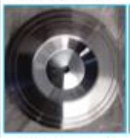
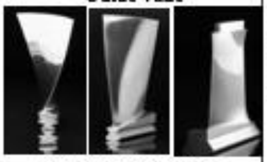
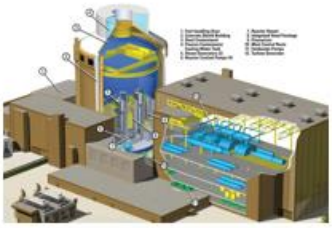
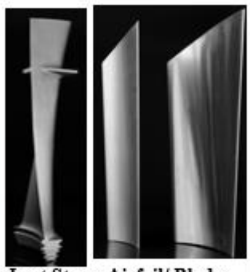
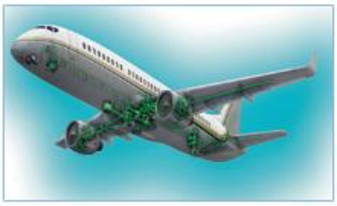
APPLICATION	PRODUCT CATEGORY	OUR PRODUCTS	END-USE INDUSTRY	PRODUCT FUNCTION
 	  Aero Engine Assembly	  Airfoils  Impeller  Blisk  Unison Rings  Arm, Levers	1. Business jet aircraft 2. Commercial aircrafts 3. Defence aircrafts 4. Training jet aircrafts	A jet engine turbine airfoil/ blade is the individual component that makes up the turbine section of an aircraft engine. Turbine airfoils/ blades convert the energy of the bypassing gas into a rotation of the rotor. The forced rotation in compressor airfoils/ blades of the rotor (by means of an engine) leads to air being sucked in and compressed by the airfoils of multiple stages.
 Auxiliary Power Unit ("APU")	  APU System in Aircraft	 Housing, Fan  Housing, Compressor  Housing Mount  Housing  Support Spring   Body, Assembly	1. Business jet aircraft 2. Commercial aircrafts 3. Defence aircrafts 4. Training jet aircrafts	The APU is a small jet engine that enables the aircraft to become self-sufficient from external power. It supplies bleed air for air conditioning and to start the engines. It can be used during take-off to power the air conditioning, avoiding a reduction in engine thrust and increasing performance systems.

APPLICATION	PRODUCT CATEGORY	OUR PRODUCTS	END-USE INDUSTRY	PRODUCT FUNCTION
 APUs  Aero Engines	 Air Generation and Valve Assembly in Aircraft Engine	 Body, Valve  Plate Butterfly   Seal, Shaft Bearing Rod   Piston Plate, Sealing Ring	1. Business jet aircraft 2. Commercial aircrafts 3. Defence aircrafts 4. Training jet aircrafts	In aircraft engine valve and air generation systems facilitate the control of airflow in and around various functions of the aircraft, thereby regulating temperatures throughout the cabin and cockpit.
 Missile Systems	 Airframes and Booster	  Aft End Skirt Fore End Skirt  BB2KP Base  B1 Igniter Body -1  B1 Igniter Body -2	Defence and missile manufacturing industries.	A missile is an intelligent unmanned rocket designed to carry the payload to a designated point with an aim of destroying the object/ target. The missile is designed keeping its target, trajectory, warhead, range, velocity and launch platform.

APPLICATION	PRODUCT CATEGORY	OUR PRODUCTS	END-USE INDUSTRY	PRODUCT FUNCTION
  **Natural Gas Turbine**	  **Turbine Airfoil Assembly**	 **Stator and Rotor Airfoils**  **Guide Vane**  **Compressor Airfoils**  **Hot Gas Parts**	1. Electric power generation 2. Marine propulsion 3.Industrial applications 4. Emergency power generation 5. Oil and gas industry 6. Renewable energy integration 7. District heating and cooling 8. Waste-to-energy	Gas turbines, also known as combustion turbines, are versatile machines that play a crucial role in various industries due to their efficiency, reliability, and flexibility. They operate on the principle of converting fuel energy into mechanical energy through combustion and then using this mechanical energy to generate electricity, propel vehicles, or drive other mechanical systems. The use of gas turbines continues to evolve as technology advances, with a focus on improving efficiency, reducing emissions, and integrating with renewable energy sources to create more sustainable and resilient energy systems.
 **Nuclear Power Turbine**	 **Turbine Airfoil Assembly**	 **Fixed Airfoil/ Blade**  **Last Stage Airfoil/ Blade - Rotary & Welding Chamfers**  **Last Stage Airfoil/ Blade - Stationary**	1. Electricity generation 2. Power production 3. Baseload power 4. Low environmental impact 5. Energy security 6. Diverse energy portfolio 7. Research and development	The nuclear turbine system is a critical part of nuclear power plants, enabling the efficient conversion of nuclear energy into electricity. Its designed to operate safely, efficiently, and reliably while adhering to strict safety measures to prevent the release of radioactive materials into the environment.

APPLICATION	PRODUCT CATEGORY	OUR PRODUCTS	END-USE INDUSTRY	PRODUCT FUNCTION
 **Thermal Power Turbine**	 **Turbine Airfoil Assembly**	 **Fixed Airfoil/ Blade**  **Moving Airfoil/ Blade**  **Last Stage Airfoil/ Blade - Rotating**	1. Electric power generation 2. Combined heat and power plants 3. Geothermal power generation 4. Marine propulsion 5. District heating and cooling 6. Desalination plants 7. Waste-to-energy plants, pulp and paper industry and sugar mills	Steam turbines are mechanical devices that convert thermal energy stored in steam into mechanical work, which can then be used to generate electricity, drive machinery, or perform various other tasks. They have been a fundamental component of power generation and industrial processes for over a century.
 **Actuator Systems in Aircraft**	 **Actuator System in Aircraft**	 **Cover, Actuator**  **Housing, Actuator**   **Cover** **Housing Actuator**  **Guide, Poppet**	1. Business jet aircraft 2. Commercial aircrafts 3. Defence aircrafts 4. Training jet aircrafts	Actuators in the aerospace market are used widely throughout aircraft, both fixed- and rotary-wing, as well as in missiles, spacecraft, and other marine and surface vehicles. Functions range from moving flight control surfaces to extending the footrests in business-class seats.

APPLICATION	PRODUCT CATEGORY	OUR PRODUCTS	END-USE INDUSTRY	PRODUCT FUNCTION
	 Hydraulic System in Aircraft	 Nipples  Adapters  Tees  Elbows  End Fittings  Caps	1. Business jet aircraft 2. Commercial aircraft 3. Defence aircrafts 4. Training jet aircrafts 5. Helicopters	Aviation hydraulic products are used in business jets, commercial jets, defence, training jet aircrafts and helicopters to help control and manage brakes, flaps, thrust reversers, flight controls, and landing gear. Hydraulic systems are the preferred system because they offer the perfect amount of pressure to operate these systems.
 Oil and Gas	 Up and Mid Stream - Sub-Systems 		Oil and gas up-stream and mid- stream applications	Slips are a device used to grip and hold the upper part of a drill string to the drill floor on an oil rig. The slips are constructed as a collection of metal wedges, hinged together to form a circular shape around the drill pipe. On the inside surface, the slips normally have replaceable steel teeth that grips the pipe. In the oil and gas industry, a drill bit is a tool designed to produce a generally cylindrical hole (wellbore) in the earth's crust by the rotary drilling method for the discovery and extraction of hydrocarbons such as crude oil and natural gas.

Financial and Operational Metrics

Financial metrics

The table below sets out some of our financial and other metrics as at and for the three months period ended June 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	As at and for the three months period ended June 30, 2023	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Revenue from operations(1) (₹ in million)	759.10	2,516.75	1,944.67	1,227.21
Revenue Growth(2) (year on year) (%)	-***	29.42	58.46	-*

Particulars	As at and for the three months period ended June 30, 2023	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Gross Profit(3) (₹ in million)	681.28	2,215.24	1,737.05	1,089.12
Gross Profit Margin(4) (in %)	89.75	88.02	89.32	88.75
EBITDA(5) (₹ in million)	262.15	722.78	622.68	281.54
EBITDA Margin(6) (in %)	34.53	28.72	32.02	22.94
Adjusted EBITDA(7) (in %)	263.43	795.44	631.65	370.90
Adjusted EBITDA margin(8) (in %)	34.70	31.61	32.48	30.22
Profit before tax (9) (₹ in million)	114.67	131.59	401.34	162.36
Profit for the year/period(10) (₹ in million)	74.04	84.73	294.57	115.00
Profit margin(11) (in %)	9.75	3.37	15.15	9.37
Adjusted Profit for the year/period(12) (₹ in million)	134.16	452.53	331.77	204.36
Adjusted Profit margin(13) (in %)	17.64	17.30	16.65	16.34
Asset Turnover ratio(14)	12.62**	50.66	58.90	-*
Return on Capital Employed (ROCE)(15) (%)	4.02**	12.99	16.95	12.09
Adjusted Return on Capital Employed (AROCE)(16) (%)	5.57	22.05	28.31	-*

* *Not included as the comparative period figures under Ind AS for Financial Year 2020/ as on March 31, 2020 are not available*
** *Not been annualised*
*** *This figure has not been disclosed as it has not been annualised.*

Notes:

(1) *Revenue from operations is total revenue generated by our Company from the sale of products, sale of services and other operating revenue – scrap sales.*

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

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

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

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

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

(7) *Adjusted EBITDA is Adjusted EBITDA is calculated as EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and COVID loss.*

(8) *Adjusted EBITDA Margin is calculated as a percentage of revenue from operations.*

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

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

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

(12) *Adjusted profit for the year/ period is calculated as Adjusted EBITDA minus depreciation minus interest minus tax expense plus other income plus interest from OCD/CCD and redemption from OCD/CCD.*

(13) *Adjusted Profit margin is calculated as adjusted profit after tax as a percentage of total income.*

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

(15) *Return on Capital Employed (%) is calculated as EBIT divided by Capital Employed, EBIT is calculated as restated profit after tax for the year/ period plus total tax expsnese plus finance costs and Capital employed is calulcated as the sum of Total Equity, Current Borrowings, and Non-current borrowings.*

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

Operating metrics

The following table sets forth certain of our operating metrics for the periods indicated:

Particulars	As at and for the three months period ended June 30, 2023	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Customer concentration (Top 5) (1)*(in %)	65.09	63.11	54.82	59.90
Customer concentration (Top 10) (2)*(in %)	84.48	79.76	73.64	81.47
Trade Receivable Days (3) (in days)	144.33	140.17	119.38	-*
Trade Payable Days(4) (in days)	50.07	65.32	74.94	-*
Inventory Days(5) (in days)	108.54	104.01	86.02	-*

Particulars	As at and for the three months period ended June 30, 2023	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Cash conversion cycle(6)	202.79	178.86	130.46	-*

*Not included as the comparative period figures under Ind AS for Financial Year 2020/ as on March 31, 2020 are not available

Notes:

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

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

(3) *Trade Receivable Days is calculated as as average trade receivables divided by revenue from operations multiplied by 365 for Fiscal years and 91 days for three months period.*

(4) *Trade Payable Days is calculated as average trade payables divided by revenue from operations multiplied by 365 for Fiscal years and 91 days for three months period*

(5) *Inventory Days is calculated as average inventory divided by revenue from operations multiplied by 365 for Fiscal years and 91 days for three months period.*

(6) *Cash conversion cycle is calculated Days of inventory outstanding plus days of sales outstanding plus days payables outstanding.*

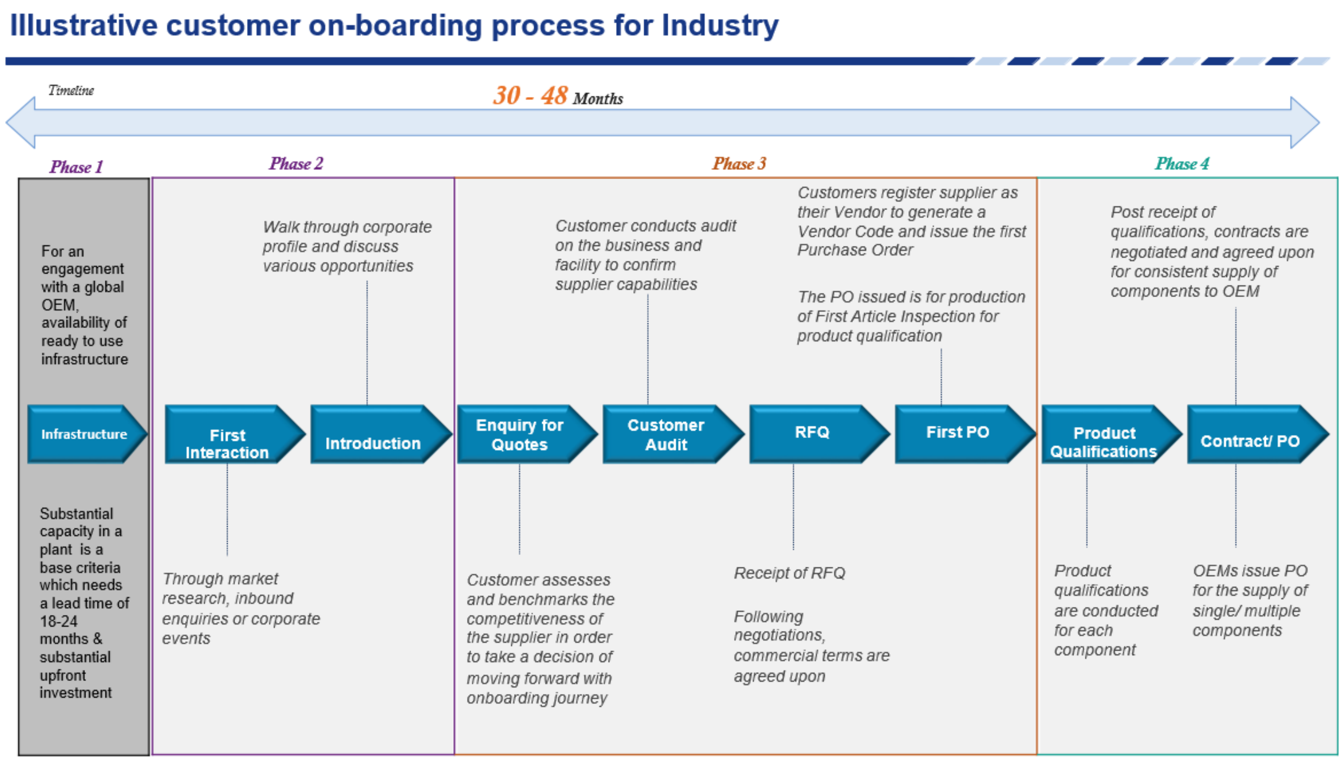
* *Customers include affiliates or group entities of our customers, as applicable.*

Our Strengths

Engineered for success and a preferred name in the manufacturing of highly engineered, complex and mission and life-critical high precision components for global OEMs despite growing competition from China, Europe, USA and Japan

We are one of the key manufacturers of our qualified product lines supplying to global OEMs primarily engaged in highly regulated industries, including aerospace and defence, energy, and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components (*Source: EY Report*). In order to supply our products to our customers, we are required to undergo a part-by-part qualification process with each of them since our products are project and life critical in nature, to satisfy the stringent processes and quality requirements of our customers.

Set out below is an illustration of our journey to become a qualified supplier with a customer:



The qualification process also includes an audit of our technical expertise and capability to manufacture the products as per the specifications of the customer. We are also required to qualify each part of the product which we intend to supply to our customers. The components being manufactured by us are high-precision and mission-critical and hence, some have a "zero parts per million" defects requirement (*Source: EY Report*).

The industries in which we operate in has a significant entry barrier due to a lengthy qualification process for the components due to criticality of such components. Once the manufacturing plant is operational, the vendors are required to go through separate qualification process for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps mentioned below:

a. Identification and understanding the vendor;

b. Assessment and audit of the technical capabilities for the vendor;

c. Request for quote and negotiations;

d. Vendor registration;

e. Evaluation and test of the product qualifications;

f. Final contract and negotiations; and

g. Purchase orders for product supply (*Source: EY Report*)

The vendors are required to go through separate qualification processes for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps (such as assessment and audit of technical capabilities of the vendor, vendor registration, evaluation and test of the product qualifications). This entire process is time intensive and often takes more than 15 months to qualify as a supplier during which the vendor is evaluated by the OEM. The vendors also need to institute quality and tracking procedures for all products that are supplied which demands a higher order quality control (*Source: EY Report*). Once a contract is awarded by an OEM to a supplier for a critical component, the OEM and the supplier typically spend significant amount of time and capital on design, manufacturing, first article inspection ("**FAI**") i.e., qualification prior to singing of contracts and testing and certifications for product specific equipment. Any new supplier is required to undergo the same process. OEMs are reluctant to switch suppliers as there are high switching costs unless the current suppliers are unable to meet the requirements on quality, cost, or delivery (*Source: EY Report*).

Other than high quality requirement, OEMs' vendor selection decision is primarily driven by the potential for cost saving. Hence, the vendors in these industries have to optimize labour cost while maintaining highly skilled labour. There is a preference of OEMs for suppliers which are capable of scaling over time and hence, aim for consolidation in the supplier base with a reasonable share diverted towards each supplier. Hence, Indian players who can pass the stringent qualification process have an edge. Additionally, to ensure consistent supply by the vendors, OEMs also closely monitor geo-political risks associated with supplier locations. Locations with low geopolitical risk are preferred for developing a supplier base, and India is increasingly being considered a strategic procurement destination by OEMs (*Source: EY Report*).

Despite the significant expenses associated with qualifying manufacturing partners, we have demonstrated efficiency pursuant to machining time reduction, which we believe is our competitive strength against manufacturers from China, Europe, USA and Japan. Further, we have been successful in obtaining stringent and highly sought qualifications for products from global customers in lesser time period than industry standard which is evident from the recognitions received from our customers. Further, the attractiveness of China has reduced due to growing geopolitical tensions and also rising labour costs (*Source: EY Report*).

Ensuring safety in the manufacturing of critical components, particularly airfoils/ blades and other life-critical parts designed for high-temperature environments is a top priority at our Company. We ensure strict adherence to the specifications provided by our customers, industry standards and utilizes advanced technology in order manufacturing process to provide quality and reliable products. Our manufacturing facilities are equipped with tools for non-destructive testing, material analysis, and thermal simulations to verify the structural integrity and performance of these components under extreme conditions. As of June 30, 2023, a team of 865 skilled engineers and technicians oversees our entire production process, implementing rigorous testing and adhering to strict quality control measures. For details of the technology used by our Company in our manufacturing process, see " – *Our Manufacturing Facilities*" and " – *Quality Control*" on page 180 and 183, respectively.

We maintain close collaboration with global OEMs to gather valuable input and feedback, continually enhancing the performance of our critical components for the aerospace and defence industry. Superior manufacturing demands a unique blend of expertise, innovation, quality, and advanced safety controls in the industry which cannot be obtained by only installing computer numerical control ("**CNC**") machines (*Source: EY Report*). Accordingly, we believe that our unwavering commitment to quality and safety sets us apart as a preferred supplier for OEMs worldwide, including by measures and processes adopted by us as set out in " – *Quality Control*" on page 183.

Despite competition from manufacturers in China, Europe, USA and Japan, we believe that we have differentiated our offerings, distinguished ourselves and been successful in being the preferred partner to our customers. We believe we have a significant manufacturing cost advantage which results in superior margins while staying competitive. Once we are qualified as a supplier by a customer, due to our process design capabilities leading to cost competitiveness and quality controls it is difficult for such customer to switch to another supplier as the qualifying process is capital and resource intensive for OEMs. This also results in repeat order and customer stickiness. The aerospace and defence, energy, and oil and gas industries have a significant entry barrier due to a lengthy qualification process for the components driven by criticality of their usage (*Source: EY Report*).

Further, we have leveraged our experience, and our unwavering commitment to quality and continuous pursuit of innovation, also distinguish us from our competitors. Our Company has developed manufacturing capability to deliver solutions which have helped clients and has supplied to both Indian and global OEMs, many of which are leaders in their respective industries.

Supplying to OEMs with high global market penetration

Based on our deep market knowledge and continuing interactions with our long-standing customers, which gives us expansive insight into multiple industries, we believe that we serve as a critical source supplier for global OEMs.

Among the addressable markets for our Company, the market for aerospace and defence components was the largest at ₹990 billion in Financial Year 2022 and is expected to go up to ₹1,530 billion by Financial Year 2027 with the highest CAGR of +9% by 2027 (*Source: EY Report*). Revenue Passenger Kilometer ("**RPK**") for the commercial aircraft industry is expected to increase to 9.5 billion by Financial Year 2027, growing at a CAGR of 12% in the period between Financial Years 2022 and 2027. This industry has recovered in Financial Years 2022 and 2023 after facing headwinds post the Covid-19 pandemic. We have been a supplier of critical components for aircraft platforms like B737, B737 Max, B747, B777, B777X, A320, A350, A355, A350 XWB, Gulfstream G550, and are currently in discussions for supply of components for new engine platforms to various kinds of aircraft manufacturers (*Source: EY Report*). Boeing Company and Airbus SE dominate the commercial aircraft industry with over 90% market share and have an order backlog of ~12,000 units as of December 2022 (*Source: EY Report*). Nearly 87% of these backlog orders were for narrow body aircrafts like Airbus A220, A320 and Boeing 737 (*Source: EY Report*).

In defence segment as well, the world spent US$ 2,148 billion on military expenditure in Financial Year 2022 which is about 2.1% of the global GDP. The 'Make in India', Defence Acquisition Procedure 2020 and Atma Nirbhar policies together have promoted the participation of Indian conglomerates and private players in partnerships with global manufactures in the Indian defence manufacturing space, which we are primed to capitalise on. We supply components to six of the key manufacturers in the aerospace and defence industries (*Source: EY Report*).

The global energy consumption has increased from 406 exajoules ("**EJ**") in 2017 to 449 EJ in Financial Year 2022 with annualized growth rate of 2% from Financial Years 2017-2022. Industrial energy consumption has increased from 143 gigawatt ("**GW**") in 2010 to 167 GW in Financial Year 2021. Out of this industrial energy consumption, more than three-fourths of the market is consumed for non-power end use applications. Global electricity consumption increased from 77 EJ in Financial Year 2017 to 92 EJ in Financial Year 2022. Global capacity for energy generation stood at 8,185 GW in Financial Year 2021. Out of this, the global capacity for gas energy generation was 1,850 GW, 390 GW capacity for nuclear energy generation and 2,184 GW capacity for coal energy generation in Financial Year 2021 (*Source: EY Report*).

The overall global energy turbine components market for application in industrial and energy generation in Financial Year 2022 was ₹283.25 billion and is expected to be ₹282.70 billion by Financial Year 2027 (*Source: EY Report*). There is a high variation in expected CAGR between gas, nuclear and coal turbines with highest CAGR expected for components of nuclear turbines (+8% CAGR by Financial Year 2027) followed by gas turbine (+1% CAGR by Financial Year 2027) (*Source: EY Report*). The steam turbine manufacturing market is concentrated with top five players contributing to more than 60% of the market based on orders as of June 30, 2023, and the gas turbine manufacturing market is highly concentrated with top five players contributing to more than 80% of the market (*Source: EY Report*).

In Financial Year 2023, we have supplied to customers which control approximately 70% of the gas turbine market (based on technology ownership and number of units ordered in first half of Fiscal 2022) globally (*Source: EY Report*) and continue to supply to customers in this industry. We supply components to five of the key manufacturers in the turbine manufacturing industry (*Source: EY Report*). The turbine and its component manufacturing industry has a two-tiered structure where there are large OEMs, which are involved in research and development, design, manufacturing, and assembly of turbines. There are also downstream manufacturing companies, such as our Company, who have the capability of supplying a few critical components to the OEMs (*Source: EY Report*). Airfoils contribute to majority of the sales for our Company. Our Company also supplies other special machined components for energy turbines. Our Company has witnessed an increase in its market share for airfoils in the period Fiscal 2017 – 2022 (*Source: EY Report*).

Additionally, the addressable market for oilfield drilling components is expected to grow at +4% CAGR by Financial Year 2027 (*Source: EY Report*). The overall market for drill bits in Financial Year 2022 was ₹280 billion which is expected to reach ₹340 billion by Financial Year 2027 with an estimated compounded annual growth of 4% between Financial Years 2022 – 2027 (*Source: EY Report*). The overall market for downhole drilling tools includes market for products such as reamers and this market was estimated to be ₹320 billion in Financial Year 2022 and is expected to reach ₹390 billion by Financial Year 2027 with an estimated compounded annual growth of 4% between Financial Years 2022 – 2027 (*Source: EY Report*). We have supplied components to one of the global manufacturers in the drilling equipment manufacturing industry (*Source: EY Report*).

Long-standing and deep customer relationships

Our company has existing relationships with both Indian and global OEMs. Our long-standing customer base comprises leading product OEM companies, key strategic and globally preferred partners such as General Electric and Mitsubishi Heavy

Industries, Ltd., with whom we have an average relationship of over 10 years. Further, our integrated manufacturing and supply chain solutions together with our scale of operations, technical know-how, value added design and engineering expertise, allows us to cater to several Indian and global OEMs.

We have been honoured with numerous awards and accolades from our customer such as, *inter alia*:

a. "Certificate of Appreciation" presented by Mitsubishi Heavy Industries, Ltd. for producing more than USD10 million of gas turbine compressor blades and steam engine turbine blades in the fiscal year 2022.
b. Godrej Aerospace presented the "Making India Atmanirbhar" award for being one of the most reliable partners in the year 2022.
c. "Certificate of Appreciation" presented by Godrej and Boyce Aerospace for manufacturing critical components with consistent quality performance in 2021-2022.
d. "Certificate of Appreciation" from Tata Lockheed Martin Aerostructures Limited for "Industrializing the Fighter Wing" in 2021.
e. Award for "Outstanding Commitment in Driving Commercial Competitiveness" from General Electric Gas Power presented at the MENASA partnership summit in 2020.
f. Received the "Star Performer – Large Enterprise (Engines and Turbines & Parts)" award for export excellence by the Engineering Exports Promotion Council India, southern region in 2020.
g. "Operational Excellence" award from General Electric in 2019.
h. GE South Asia awarded us with "Lean and Digital Excellence" award in the year 2019.
i. "Certificate of Appreciation" by Mitsubishi Hitachi Power Systems, Ltd. for outstanding performance for supplying gas turbine compressor and steam turbine blades in 2019.
j. Received the award for "Excellence in Manufacturing" from Godrej Aerospace in 2016-2017 and 2018-2019.
k. Mitsubishi Hitachi Power Systems awarded us as the "Best Partner of the Year" in the year 2018.
l. "Certificate of Appreciation" presented by Mitsubishi Hitachi Power Systems, Ltd. for phenomenal efforts and exceptional performance in minimising FAI period and reducing cost for gas turbine compressor blades in the year 2018.
m. Received the "Excellence Award - GE Belief - Empower and Adapt to Win" award by GE 2017.
n. "Excellent Supplier Award 2014" from Doosan Skoda Power in the year 2014.
o. "New Best Business Partner" award from Hindustan Aeronautics Limited in 2013 in blades manufacturing.

We serve a broad range of customers both in the Indian and overseas markets. The table below sets out the details of our total revenue from contracts with customers with geographical location outside India:

	Three months period ended June 30, 2023	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Outside India (in ₹ million)	688.36	2,023.08	1,518.17	1,007.33
Outside India % (in %)	90.68	80.38	78.07	82.08

We have a well-diversified customer base spread across various geographies. We have a broad customer base globally including in the USA, Europe, Japan, Middle East, United Kingdom and China. For the three months period ended June 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021, (a) contribution to revenue from operations from our top five customers was ₹494.07 million, ₹1,588.20 million, ₹1,066.07 million and ₹735.06 million, respectively and (b) constituted 65.09%, 63.11%, 54.82% and 59.90%, respectively, of our total revenue from operations. In the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021 we have a diversified customer base with our top 10 customers accounting for 84.48% and 79.76%, 73.64% and 81.47%, respectively of our revenue from operations.

For the Financial Year ended March 31, 2023, we derived 80.38% of our income from sale of goods with end-use in the overseas markets, including 35.47% in Japan, 23.01% in USA and 19.75% in India. Our diversification of revenue across multiple customers and industries has enabled us to grow our customer base across geographies. This is evident from the fact that our top five customers have been associated with us for over 10 years.

The table below sets forth the breakdown of our income from sale of goods across geographic markets, as a percentage of our total revenue from operations for the three months period ended June 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Country	**Revenue from operations (₹ in million)**	**%**	**Revenue from operations (₹ in million)**	**%**	**Revenue from operations (₹ in million)**	**%**	**Revenue from operations (₹ in million)**	**%**
	Three month ended June 30, 2023		**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
Japan	158.80	20.92	892.61	35.47	652.34	33.54	413.36	33.68
USA	274.67	36.18	579.09	23.01	466.74	24.00	312.75	25.48
India*	73.03	9.62	496.93	19.75	432.23	22.23	219.89	17.92
UAE	55.50	7.31	222.60	8.84	169.97	8.74	89.60	7.30
Germany	25.11	3.31	158.98	6.32	66.27	3.41	87.93	7.17
Switzerland	-	-	0.97	0.04	16.26	0.84	41.79	3.41
UK	22.90	3.02	11.85	0.47	35.56	1.83	35.34	2.88
Hungary	8.60	1.13	0.56	0.02	12.81	0.66	11.65	0.95
France	139.57	18.39	152.85	6.07	84.13	4.32	7.02	0.57

Country	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%
	Three month ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
Italy	-	-	-	-	-	-	4.28	0.35
Sweden	-	-	-	-	-	-	3.60	0.29
South Africa	-	-	-	-	4.17	0.21	-	-
Poland	-	-	-	-	4.19	0.22	-	-
Saudi Arabia	-	-	0.10	0.00	-	-	-	-
Singapore	0.92	0.12	0.21	0.01	-	-	-	-

* *Includes export incentives*

The table below sets forth the breakdown of our revenue from operations across our top ten customers, as a percentage of our total revenue from operations for the three months period ended June 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021.

Industry	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%	Revenue from operations (₹ in million)	%
	Three month ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
Customer 1	158.80	20.92	829.56	32.96	54.42	2.80		-
Customer 2	124.74	16.43	-	-	173.28	8.91	144.18	11.75
Customer 3	101.39	13.36	77.93	3.10	53.32	2.74	-	-
Customer 4	55.50	7.31	222.42	8.84	169.97	8.74	89.60	7.30
Customer 5	53.62	7.06	57.02	2.27	53.70	2.76	56.30	4.59
Customer 6	45.22	5.96	111.33	4.42	73.26	3.77	72.18	5.88
Customer 7	38.18	5.03	44.84	1.78	25.87	1.33	7.02	0.57
Customer 8	25.11	3.31	158.98	6.32	66.27	3.41	87.93	7.16
Customer 9	20.10	2.65	17.57	0.70	23.61	1.21	8.54	0.70
Customer 10	18.61	2.45	76.50	3.04	107.16	5.51	37.58	3.06

We believe that our enduring customer relationships serve as a clear testament to our commitment to quality, as well as our advanced design and precision manufacturing capabilities. Further, our domain expertise in various aspects such as precision engineering, research and development, as well as our adoption of technologically advanced and cost-competitive manufacturing processes have been instrumental in obtaining repeat orders from our key customer group. Given the intricacies involved in the production process of such products, we firmly believe that once our customers find a suitable vendor meeting their requirements, they are inclined to maintain a lasting partnership. Our enduring relationships with customers enable us to deeply understand their diverse requirements, including the development of new products. We believe that our long-term relationship with our clients serves as testament to our operational and managerial capabilities and makes us an attractive choice for potential clients in the industry.

Advanced manufacturing facilities with a diverse range of products and solutions with focus on innovation and cost competitiveness

As of June 30, 2023, we have four manufacturing facilities in Hyderabad in India which are spread across approximately 20,000 square metres and have a combined annual installed capacity of 158,356 hours per annum, annual actual production of 140,156 hours per annum and capacity utilization of 89% per annum. We propose to fund capital expenditure requirements of our Company through the Net Proceeds towards the purchase of plant and machinery for our existing manufacturing facilities. For details see "*Objects of the Offer*" on page 88. As of June 30, 2023, our skilled workforce of 1,270 personnel.

We have stringent quality systems and processes which enable us to meet the rigorous and complex requirements of our customers within the stipulated timelines. For instance, our manufacturing facilities have received or are in the process of receiving accreditations, including:

a. ISO 9001:2015 certification for our Company's quality management system for manufacture of aerospace and defence, energy, and oil and gas parts (this is currently under audit for recertification);
b. ISO/IEC 27001:2013 information security management system ("**ISMS**") certification for our Company's information management system for control of information (internal and external, including but not limited to customer properties along with support functions);
c. AS9100:2016 certification for our Company's quality management systems for aviation, space and defence organisations;

d. ISO 14001:2018 environmental management system ("**EMS**") (certification is awaited and is subject to audit) and 45001: 2018 occupational health and safety assessment series ("**OHSAS**") certifications for our Company's quality management system to ensure environmental health and safety of our facilities (certification is awaited and is subject to audit);
e. Accreditation for specific services on the qualified manufacturer's list for fluid distribution systems from National Aerospace and Defence Contractors Accreditation Program ("**NADCAP**").

Leveraging advanced machines and technologies, we are a prominent player in the industries in which we operate, with intricate engineering capabilities and production of high-quality components that meet the exacting demands of modern applications. Through continuous training and upskilling, our employees ensure that every step of the process is executed with precision and attention to detail. We believe that the seamless integration of technology and human expertise allows us to achieve exceptional accuracy, dimensional stability, and mechanical properties in our components.

We constantly strive to introduce innovations in our manufacturing processes, expansion of in-house capabilities to undertake forging and special processes and process efficiencies to reduce costs to ensure reduction in cost and lead times to manufacture a product. Consequently, this helps in increasing our revenues, margins, and profitability.

Our manufacturing processes are also subject to regular inspections conducted by our customers. Our manufacturing facilities are equipped with sophisticated equipment and machinery including robotics equipment that enables us to produce high quality products and helps minimize the number of employees required to operate them, thereby reducing costs. We undertake automation of our manufacturing processes by implementing manufacturing execution systems to increase the overall production efficiency and shorten the time to produce with enhanced quality along with reducing downtime and idle time. We conduct quality inspections and testing for our raw materials and final products. Quality test results of samples plays a vital role in selection by our customers. To ensure superior quality we undertake various tests on our raw materials including chemical analysis, ultrasonic testing, testing mechanical properties and metallurgical analysis. Our capabilities are widely recognized, and we have been the recipients of many awards. For details, see "*History and Other Corporate Matters – Awards and accreditations*" on page 196.

Consistent track record of financial performance

We have demonstrated consistent growth in terms of revenues and profitability. Our total revenue from operations increased by 105.08% from ₹ 1,227.21 million in Fiscal 2021 to ₹ 2,516.75 million in Fiscal 2023 and was ₹ 759.10 million in the three months ended June 30, 2023.

Set out below is our revenue breakup as at the three months ended June 30, 2023 and the Financial Years ended March 31, 2023, 2022 and 2021:

Industry	Three months period ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue from purchase orders (₹ in million)	% of revenue from operations (%)	Revenue from purchase orders (₹ in million)	% of revenue from operations (%)	Revenue from purchase orders (₹ in million)	% of revenue from operation (%)	Revenue from purchase orders (₹ in million)	% of revenue from operations (%)
Aerospace and defence (I)	54.91	7.23	225.28	8.95	202.78	10.43	75.91	6.18
Energy, oil and gas and scrap (II)	700.23	92.25	2,287.77	90.90	1,729.08	88.91	1,132.04	92.25
Others* (III)	3.96	0.52	3.70	0.15	12.81	0.66	19.26	1.57
Total (I+II+III)	**759.10**	**100.00**	**2,516.75**	**100.00**	**1,944.67**	**100.00**	**1,227.21**	**100.00**

* *Others includes export incentives*

We have had the following strong return ratios in the three months period ended June 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 (a) with a low debt to equity ratio of 1.54, and 1.47, 1.64, 0.97, respectively and (b) Net debt/ Adjusted EBITDA ratio was 10.66 and 3.11, 2.16 and 1.75, respectively.

For further details of financial and other metrics as at and for the three months period ended June 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, see " – *Financial and Operational Metrics*" on page 167.

Experienced Promoter and management team backed by marquee investors

We are led by our Promoter Rakesh Chopdar who has helped expand our operations within India and globally and has been associated with our Company as a director since 2003. Rakesh Chopdar has more than two decades of experience in engineering and manufacturing activities. Under his leadership we have been able to expand our operations and have established a significant presence in India and globally. He has won the third prize at the "National Award for Outstanding Entrepreneurship" under "Small Enterprises (Manufacturing)" from the Government of India, MSME in 2012, "Young Asia Entrepreneur 2019-20" by

CNBC – TV18 in 2020 and the first prize at the MSME National Awards for "MSME - Export Performance" in 2022. Further, we have an experienced and qualified Board of Directors comprising of three Executive Directors and three Independent Directors.

We also have an experienced senior management team which includes our Whole-time Director, Vishnu Pramodkumar Malpani; our Chief Financial Officer, Ronak Jajoo; our Head – Engineering & Operations, Ashok Gentyala; our Head – Business Growth, Balaji P.R.; our Head – Supply Chain, Dinesh J Shetty; our Head – Analytics & IT, Atin Agarwal; our Head – Program Management, Matthew Richard Childs; and our Head – Quality Management Systems, Silpa Kanaka Bellamkonda. Their industry experience has enabled us to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. Our leadership team has strong understanding of customer requirements combined with technical know-how that enables product innovation and new product development.

We are also backed by Piramal Structured Credit Opportunities Fund, DMI Finance Private Limited and other investors. We believe that the experience and skill of our management team and our investors allows us to possess a significant advantage.

Our Strategies

Leverage our industry-leading capabilities by continuing to diversify our customer base and increase penetration and wallet share with existing customers by entering into new component lines

We intend to continue to expand our customer base by leveraging our relationship with our existing customers in India and globally, while simultaneously pursuing opportunities to develop new relationships. We aim to continue to maintain our strong track-record of repeat orders from our existing customers as well as expand and strengthen our relationships as part of our organic growth efforts. We intend to focus on leveraging our relationships with our customers to improve our existing products and also increase the number of products that we currently manufacture for each customer.

We are in the process for qualifying for parts and components for the combustor section of a land-based turbine which include liners and frames, inner casings, fuel spray nozzle, flame tubes and transition piece. By leveraging from our experience of manufacturing components for land-based turbine engines, we also intend to manufacture other parts and components for a turbine engine to be used in an aircraft. We are continuing to explore several more opportunities on new engine and aircraft programs that are under consideration or have been recently announced. We believe that this will result in adding new customers and in an increase in the wallet share of each customer, our revenues, margins, and profitability. Further, in the manufacturing ecosystem for the industries we serve, we manufacture highly complex parts which allows us to easily manufacture items which are less complex in nature and at scale, ensuring longevity of relationships with our customers.

We will capitalize on the current set of customers consolidating their supplier bases to capture greater total value content in individual programs. In order to achieve this, we intend to actively manage our key customer accounts to increase customer interaction, collaborate with our customers in the early stages of product development and help them optimize their supply chains by managing their lower tier suppliers. We intend to continue to develop our backward integration capabilities to provide our customers with more options for materials and will also continue to focus on becoming a comprehensive engineering solutions provider for our customers. We will continue to invest in innovation, automation, modern technology, and equipment to continually improve our products and capitalize on changing customer preferences. Exports have been the main stay of our growth and we intend to continue to focus on sales in international markets. Export sales provide us with higher margins on our products. We intend to grow our sales within the existing geographies where our customers are present.

Augment our manufacturing capabilities to better serve our customers and to build scale, while delivering state of the art execution

As of June 30, 2023, we have four manufacturing facilities in Hyderabad in India which are spread across approximately 20,000 square metres and have a combined annual installed capacity of 158,356 hours per annum, annual actual production of 140,156 hours per annum and capacity utilization of 89% per annum. We propose to fund capital expenditure requirements of our Company through the Net Proceeds towards the purchase of plant and machinery for our existing manufacturing facilities. For details see "*Objects of the Offer*" on page 88.

Further, we have two manufacturing facilities in the pipeline at (a) Tuniki Bollaram village in Siddipet district, Telangana and (b) Mangampet village, Sangareddy district, Telangana, which is near Hyderabad, with a total manufacturing area of 94,898.78 square metres and 74,866.84 square metres, respectively. The construction and development of these proposed manufacturing facilities are intended to be funded from our internal accruals. Our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana is proposed to have dedicated and exclusive manufacturing setups for our customers. We plan to initially introduce this exclusive manufacturing setup for production of critical and complex components such as airfoils/ blades and other special machined parts for gas and thermal turbines for Mitsubishi Heavy Industries, Ltd., one of our long-standing customers. This facility will be a part of our Company's upcoming 'Centre for Excellence and Innovation Centre'. We intend to set up more of such dedicated and exclusive manufacturing setups, where certain manufacturing lines in our manufacturing setups in our manufacturing facilities will be dedicated to manufacture of components for specific customers, who we believe will be benefitting from our focussed highly engineered, complex and mission and life- critical high precision components manufacturing process.

We believe that the expertise gained by us due to our unconventional approach of manufacturing products which are highly complex, where such products are typically manufactured with a high degree of precision and with lower volumes will enable us to manufacture lesser complex products which are high in volume and low in cost with the same quality standards as applicable to our current products. We believe this will enable us to diversify our product categories, cross sell our products to our existing customers, add new customers and manufacture lesser complex products at scale which will result in increased revenues, wallet share of our customers and profitability.

Strengthening our core capabilities across our focus industries

We intend to continue to strengthen our capabilities across the focus industries by continuing to strengthen and expand our existing relationships with our current customers and by acquiring more strategic customers across our focus industries. High domestic volumes and consumption, and higher outsourcing volumes will influence domestic manufacturers for OEMs to bring in the component ecosystem locally and enhance local capabilities of component sourcing, thus making the ecosystem stronger and closer.

Various initiatives by the government including Atma Nirbhar Bharat, 'Make in India', Defence Acquisition Procedure 2020, PLI schemes and higher government spending on infrastructure are driving economic growth. Under Atma Nirbhar Bharat, the government also plans to introduce parameters for better quality of output to meet international standards so that Indian products can compete in the global market (*Source: EY Report*). The Defence Acquisition Procedure 2020 is aimed to increase 'self-reliance' by boosting domestic production and indigenization, promoting import substitution, cutting-down the gestation period and hastening up of defence procurement (*Source: EY Report*). Further, global tailwinds in the renewable energy industry have given a push for the turbine market and India with its engineering capabilities, large skill pool and low-cost operations and investor-friendly environment is placed well to attract global investments (*Source: EY Report*). We believe we are well-positioned to further augment our core capabilities and build scale by taking advantage of potential moves from global players looking to localise and leverage cost advantages by setting up manufacturing facilities in India under various government schemes, as well as of the growing complexity in product design and development such as miniaturisation of products.

Further reduce operating costs, improve operating efficiencies and deploy new technologies

We aim to offer quality products at optimal prices to our customers and believe this will enable us to maintain our long-term relationship with customers. We believe that our innovation, research and development capabilities and fast supply chain lead-time are key factors that distinguish us from our competitors both in India and globally. We undertake automation of our manufacturing processes by implementing manufacturing execution systems to increase the overall production efficiency and shorten the time to produce with enhanced quality along with reducing downtime and idle time. We intend to continue enhancing our operational efficiencies, and exploit economies of scale, by better absorbing our fixed costs, while also reducing other operating costs to strengthen our competitive position.

Consistent with past practice, we intend to continue using a variety of other manufacturing and cost reduction strategies including process engineering and automation to improve our operational efficiencies, capacity utilization and ensure lean manufacturing. We have invested in our manufacturing facility, infrastructure, machines, equipment and technology to allow us to offer a diverse product suite, reduce operating costs and drive productivity and scale of our business without incurring significant incremental costs in the future. We have positioned ourselves as a technology-driven, self-featured innovative company within the turbine, aerospace and precision parts manufacturing industries. We intend to leverage our size and scale to produce greater volumes of products from each of our existing and upcoming manufacturing facilities and spread our fixed costs. We will also strive to increase the level of automation of our manufacturing facilities to cope with growing labour costs.

Our Business Operations

Our Company is engaged in the manufacturing of complex and highly engineered precision forged and machined components that are mission and life-critical and assemblies with close tolerances (in microns) to serve projects through our advanced manufacturing facilities, which include:

a. Precision forging and precision machining;
b. Assembly and testing (non-destructive and destructive);
c. Special processes and specialized fabrication; and
d. Quality clinic

Some of the components being manufactured by us have been indigenously developed for onward usage by our customers in the field of aerospace and defence, energy (including natural gas, nuclear (clean energy), thermal energy), and oil and gas industries in India and globally.

Our Business Verticals

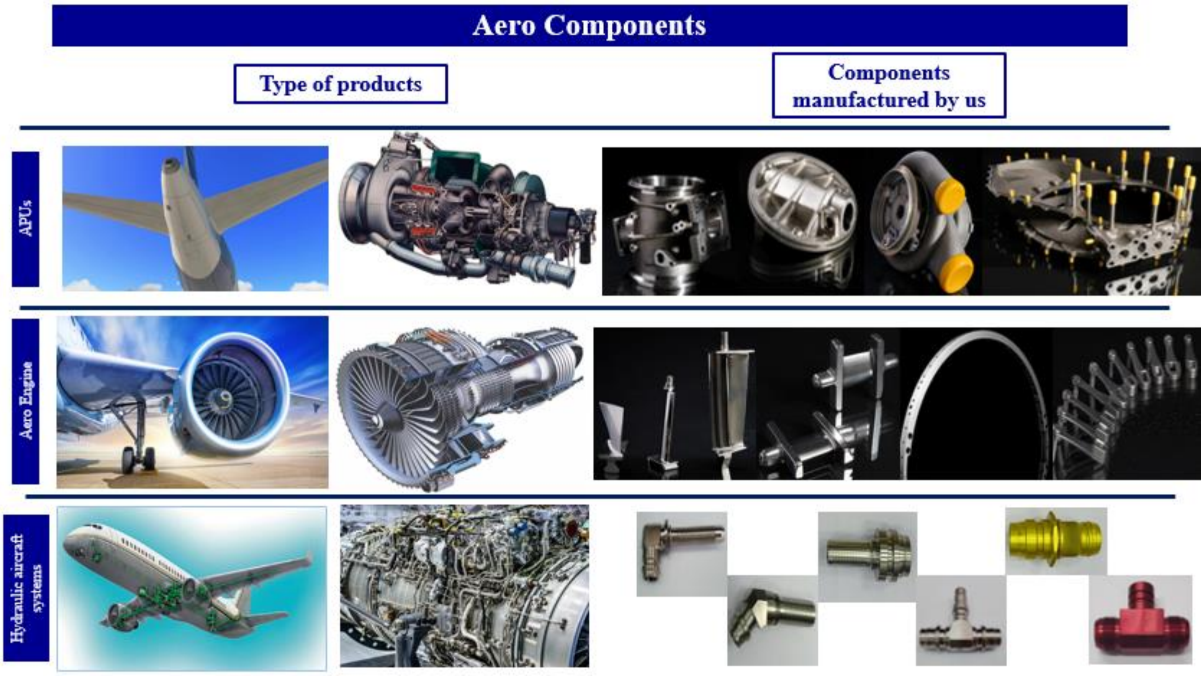
Aerospace and Defence

We manufacture medium and highly complex precision components, assemblies/ sub-assemblies that are mission-critical for application of civil and military platforms such as airfoils/ blades for aircraft engines and APUs, body valve, housing mount, housing compressor, fan blisk, mixed flow impeller, housing fan, shell and housing, aero structures, turbine wheel, nozzle, unison rings, lever arms, hydraulic, fuel inerting, flight control, actuating system and others. These parts are widely made from investment castings, forgings, bar stock, tubes and plates and have a wide spread of usage in various commercial and military platforms. The sub-assemblies comprise of processes including stringent machining, testing, special processes and thermal spray coatings such as high-velocity oxygen fuel coating.

We also manufacture industrial aerospace standard fluid distribution parts, integrated into the aircraft hydraulic systems which spans from nose to tail and left to right ends of the wing of an airplane, for the functioning of all the synchronised hydro pneumatic system. We have developed technology to qualify and test fluid distribution system parts of aerospace. The aerospace fluid distribution parts have approved design to produce from precision forging and bar stock. Forging equipment is of servo control screw type technology and produces control features where parts are used in as finished condition. The materials of construction include steel, aluminium, titanium, super/ exotic alloy and copper alloys of aircraft quality. These parts are manufactured and tested to perform at elevated environments as defined by aerospace standards. For supplying of these parts to end customers, specific parts are required to be qualified by the Performance Review Institute and Qualified Manufacturers List Program.

The products are examined, tested, and evaluated for conformance with standard/ specification requirements and listed on the qualification product list as a qualified product for the specific standard/ specification. The procurement of qualified products reduces the risk of product failure to meet specification requirements. The qualification process to validate and certify the performance of the parts are done with various tests and qualifications. The test equipment for all tests were designed and built indigenously to meet the aerospace standards and qualified to the requirement of certifying bodies like NABL.

Brief overview of aero components manufactured by us are set out below:



Energy

Airfoils/ blades are one of the most critical three dimensional ("**3D**") rotating and stationary parts of a turbine in the compression section. These are used in generation of energy by means of natural gas, nuclear (clean energy) and thermal operations. To sustain the high pressure, airfoils/ blades are made up of exotic/ super alloys and manufactured with a unique process designed by our Company.

These are highly engineered and complex parts which have a high entry barrier in terms of qualification and production (*Source: EY Report*). We have developed our stage-wise process engineering to manufacture and produce these components with in-house process of forging and machining turbines blades by designing and manufacturing, *inter alia*, forging dies, tooling and fixtures.

Brief overview of types of turbine energy plant components manufactured by us are set out below:

Key components manufactured by us in the energy industry are set out below:

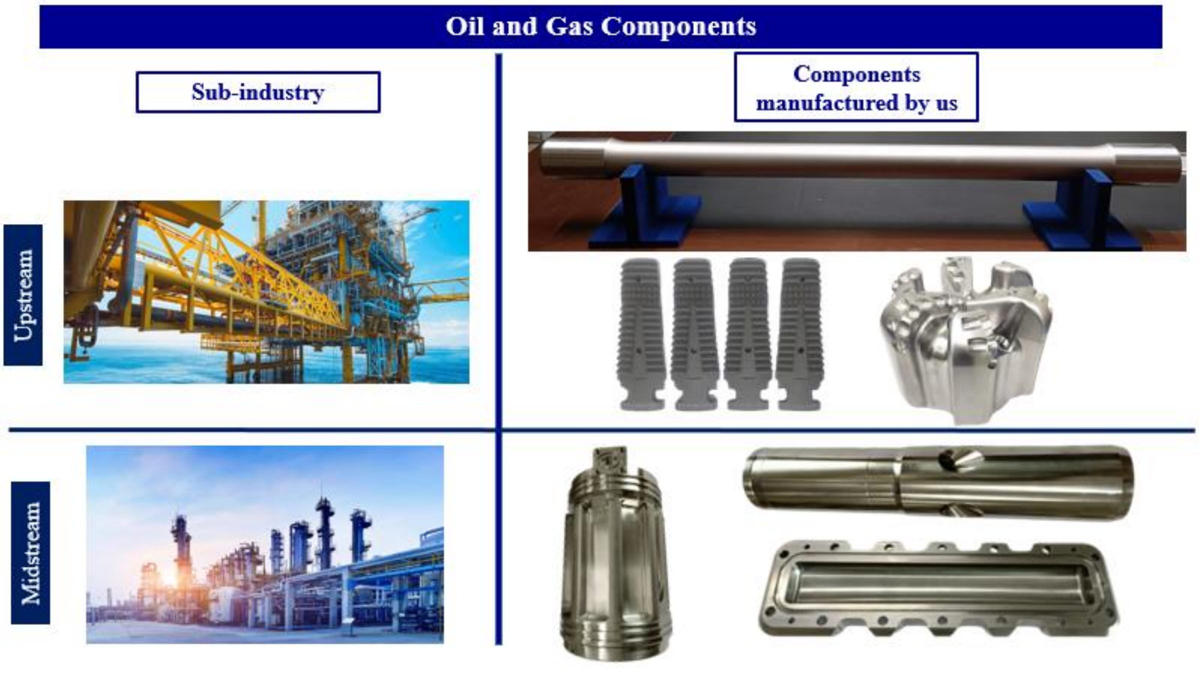
Oil and Gas

We have ventured into the oil and gas industry owing to our focused precision manufacturing abilities. We believe that this industry plays a crucial role as oil and natural gas are used for various purposes, including transportation, electricity generation, heating, and manufacturing. This industry includes exploration, extraction, refining, and distribution of fossil fuels, primarily oil and natural gas.

Our presence is in the following sub-industries:

a. Upstream: This sector involves exploration and production of oil and natural gas. It begins with geological surveys to identify potential reserves and then drilling wells to extract these resources. Upstream activities can take place onshore or offshore, including by means of deep-water drilling.
b. Midstream: The midstream sector focuses on the transportation and storage of crude oil and natural gas. Pipelines, tanker ships, and storage facilities are essential components. Natural gas processing plants remove impurities and separate natural gas liquids from the raw gas.

We manufacture, *inter alia*, flex shafts, bonnets, frames, safety valves, hatch covers, slips and drill bits for our customer base, brief details of which are set out below:



Our Products

Some of the parts being manufactured by our Company in the industries we operate in are set out below:

Industry	Type of Product	Parts
Aerospace and defence	Aircraft engine. aircraft accessories, helicopter, SPU, space and missile components	Airfoils/ blades, housings, wings, rings, shrouds, casings, assemblies and sub-assemblies of APUs, hydraulic and actuator systems

Industry	Type of Product	Parts
Energy	Gas, nuclear and thermal turbine parts	Airfoils/ blades, rotor and stator, combustion components, engine accessories, fasteners and hardware and special machined parts
Oil and gas	Drilling and completion services	Airfoils/ blades, combustion components, drill bits, slips, reamers, flex shaft, bonnet, frames, safety valves, rings, and hatch cover

Further, some of our proven capabilities in the commodities being manufactured by us are set out below:

a. Airfoils/ blades;
b. Unison rings and lever arms;
c. Impeller, blisk, stator and rotor;
d. Flight control systems;
e. Casings and housings;
f. Critical engine sub-systems/ systems;
g. Special machining parts;
h. APUs sub-systems/ systems;
i. Fasteners (end two flange ("**ETF**"), interior two flange ("**ITF**") and specialty);
j. Diaphragms and nozzles;
k. Drill bits;
l. Slips and rings;
m. Shafts and frames; and
n. Combined pneumatic and hydraulic systems

We have four manufacturing facilities located in Hyderabad, Telangana:

a. Unit 1 – Pashamylaram Industrial Park: Precision forging, heat treatment, testing lab, special processes and raw material warehouse.
b. Unit 2 – Phase - I, Jeedimetla Industrial Development Area: Corporate office and main manufacturing facility with support functions.
c. Unit 3 – Phase - V, Jeedimetla Industrial Development Area: Manufacturing facility with support functions.
d. Unit 4 – Phase - I, Jeedimetla Industrial Park – Jeedimetla Industrial Estate: Manufacturing facility with support functions.

Our Manufacturing Facilities, Process and Capabilities

Our manufacturing facilities have received or are in the process of receiving accreditations, including:

a. ISO 9001:2015 certification for our Company's quality management system for manufacture of aerospace and defence, energy, and oil and gas parts (this is currently under audit for recertification);
b. ISO/IEC 27001:2013 information security management system ("**ISMS**") certification for our Company's information management system for control of information (internal and external, including but not limited to customer properties along with support functions);
c. AS9100:2016 certification for our Company's quality management systems for aviation, space and defence organisations;
d. ISO 14001:2018 environmental management system ("**EMS**") (certification is awaited and is subject to audit) and 45001: 2018 occupational health and safety assessment series ("**OHSAS**") certifications for our Company's quality management system to ensure environmental health and safety of our facilities (certification is awaited and is subject to audit);
e. Accreditation for specific services on the qualified manufacturer's list for fluid distribution systems from National Aerospace and Defence Contractors Accreditation Program ("**NADCAP**").

The following table sets forth the installed capacity, actual production, and utilization of our manufacturing facilities for the periods indicated. Given that our products undergo customisation to meet specific customer requirements and have varying shapes and weights, we are unable to determine the capacity on a product-by-product basis.

As of and for the three month period ended June 30, 2023			As of and for the Financial Year ended March 31, 2023			As of and for the Financial Year ended March 31, 2022			As of and for the Financial Year ended March 31, 2021		
Annual installed capacity (hrs)@	**Annual Actual Production (hrs) @**	**Capacity utilization (%)@**	**Annual installed capacity (hrs) @**	**Annual Actual Production (hrs) @**	**Capacity utilization (%)@**	**Annual installed capacity (hrs) @**	**Annual Actual Production (hrs) @**	**Capacity utilization (%)@**	**Annual installed capacity (hrs) @**	**Annual Actual Production (hrs) @**	**Capacity utilization (%)@**
90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500 055, Telangana, India											
75,786	69,022	91.07	321,398	273,799	85.19	36,4190	301,101	82.67	394,960	319,401	80.86
Industrial shed No. D-42 and 43, T.S.I.I.C, Industrial Development Area, Phase - V, Jeedimetla Industrial Park, Quthbullapur Mandal, Medchal - Malkajgiri District Hyderabad 500 055, Telangana, India*											
64,137	52,796	82.32	234,804	207,842	88.51	100,708	85,277	84.67	-	-	-
Industrial Plot No. 63/A, T.S.I.I.C, Industrial Development Area, Phase – I, Jeedimetla Village, Industrial Park, Quthbullapur Mandal, Medchal - Malkajgiri District, Hyderabad 500 055, Telangana, India**											
21,133	18,338	86.77	23,612	18,351	77.71	-	-	-	-	-	-
Plot No.17/B, Phase - III, Industrial Park, Pashamylaram, Patancheru, Medak 502 205, Telangana, India***											
-	-	-	-	-	-	-	-	-	-	-	-
TOTAL											
158,356	**140,156**	**88.51**	**5,798,144**	**499,992**	**86.23**	**464,898**	**386,829**	**83.21**	**394,960**	**319,401**	**80.86**

@ *As certified by, P. Kanaka Rao, independent chartered engineer by his certificate dated September 29, 2023.*
* *Not operational in Financial Year 2021.*
** *Not operational in Financial Years 2022 and 2021.*
*** *This is an intermediate facility which supports the other facilities listed above and does not produce any finished goods. Accordingly, relevant capacity utilisation data is not available for this facility.*

Set out below is an overview of our manufacturing capabilities, including the special processes undertaken by us, our testing actions and raw material alloy usage:

Manufacturing Capability

Machining
- 5 – Axis Milling
- 3/4 - Axis Milling
- Ultra-Precision Turning
- Bar Feed Turning
- Turn Mill, VTL/VTC
- High-Precision Grinding
- Wire-Cut / Spark Erosion

Assembly
- Rivetted
- Mechanical
- Welding

Precision Forgings

5 Axis Auto Grinding and Airfoil Polishing (Robotic)

Shot Peening
- 7 Axis Robotic (Multi Nozzle)

Metal Forming
- Deep Drawing
- Cold Forming

Special Processes

Metal Joining
- GTAW/TIG, A-MIG, Spot, Precision Riveting, Gluing

Heat Treatment
- Annealing
- Stress Reliving
- Hardening
- Tempering
- Solutioning

Painting & Coatings (M&A)
- Brush & Spray
- Lubricant, Hard & Heat resistant

Testing

Acceptance Testing
- Hydro Testing
- Pneumatic Testing
- Static Balancing
- Functional testing

Non Destructive Testing
- Ultra sonic
- Magnetic Particle
- Red Dye Penetrant
- Fluorescent Dye Penetrant

Alloys

Aluminium
- 2024, 2219, 4043, 5358, 6061, 7025,7050

Steels
- 321, 304, 318, 17/4, 15/5 ph, Maraging, 440C

Titanium
- Ti 6Al 4V, BT6, BT20

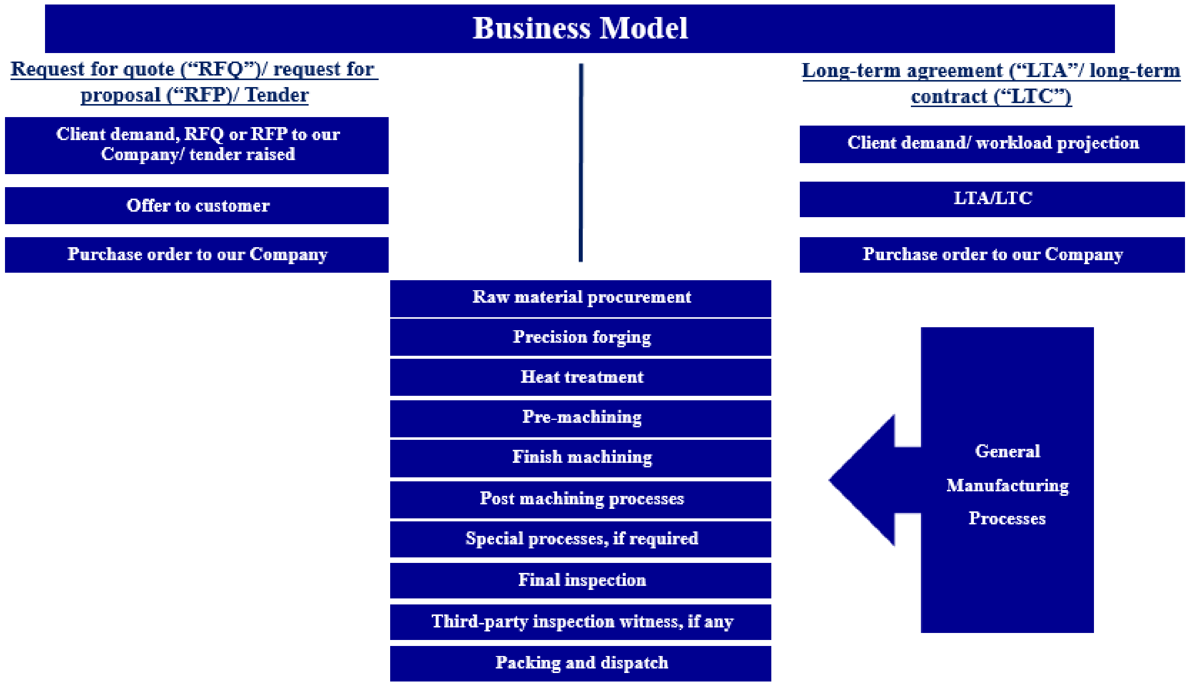
Other Alloys
- Inconel 718, Stellite, Cu – Cr – Al ,Nimonic

In view of the various projects being undertaken and the different kinds of products being manufactured by us, the manufacturing lifecycle of such projects and products may be different. However, set out below are the processes that are broadly followed by us for manufacturing of precision parts or complex sub-systems.

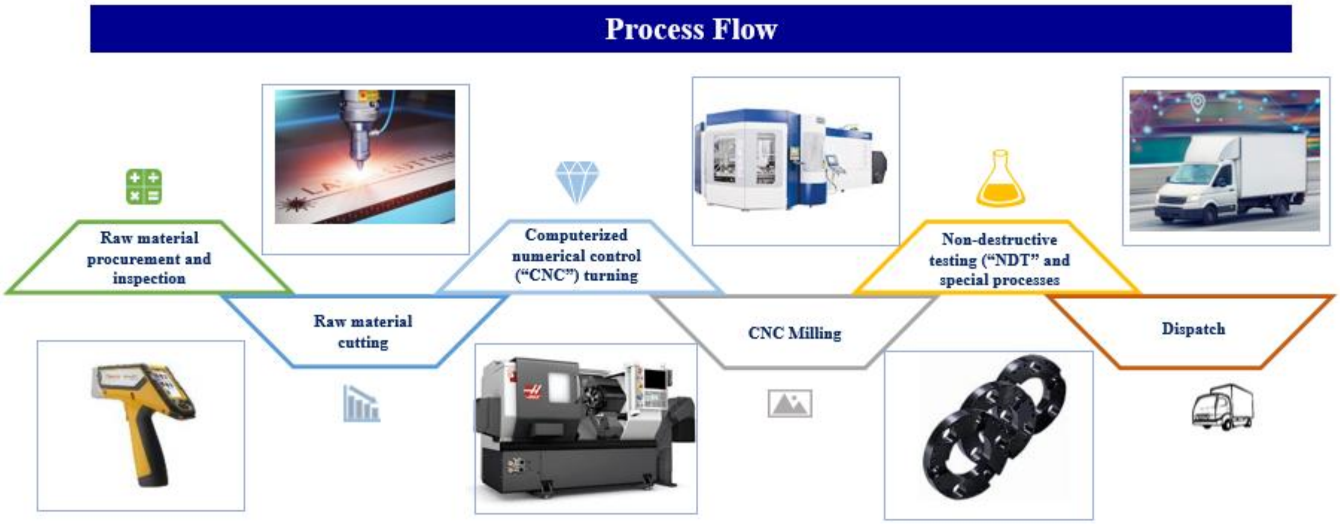
a. Upon the receipt of orders from our customers, such purchase orders are verified in terms of technical and commercial terms, post which order acceptance is provided by our Company.
b. The next step involves creation of work order by means of our Enterprise Resource Planning ("**ERP**") management system and communication to relevant stakeholders.
c. Following the creation of work order, a kick-off meeting with customer and internal cross functional team is arranged to attain concurrence between the team and customer (this involves internal and external stakeholders).

d. Thereafter, a manufacturing quality plan is prepared based on the relevant drawings and the same is checked and authorised by the appropriate personnel. This is followed with a technical review to study and understand the resource requirements of the project.
e. After that, our methods and engineering team and quality team commences with preparation of individual stage wise drawings, process flow chart, manufacturing quality control plan, failure mode effect analysis for setting up mitigations to the critical processes, stage inspection reports, final inspection report, critical to quality ("**CTQ**"), measurement system analysis ("**MSA**"), and other production part approval process ("**PPAP**") deliverables along with route card for manufacturing processes with required fields to record during the live process.
f. All manufacturing documents are reviewed and approved by the cross-functional team (engineering, production and quality) for release to realization and shared with the respective process owners.
g. Raw materials such as aluminium, stainless steel, precipitated hardened steel, titanium, inconel and other super alloy/ exotic alloy grades required to manufacture the components are sourced from customer-approved sources or our Company approved-sources depending on the project requirements and expectations. Such suppliers are finalised based on cost, quality and on-time delivery following which, the purchase orders are released by our Company. Upon receipt of satisfactory results post reviewing documents received from the supplier, our Company approves consignment shipment.
h. After procurement of raw materials, the components are manufactured by us as per stringent manufacturing process plans ("**MPP**") while ensuring in-process quality inspection as set out in the manufacturing documents.
i. Upon the completion of the manufacturing process, our quality engineers undertake final inspection and provide disposition on the same.
j. Thereafter, the components are assembled into sub-assemblies and assemblies, and tested to ensure that the end-product meets customer specifications.
k. Subsequently, the products are dispatched on determination of the products meeting customer requirements and issuance of shipping release by the customer.

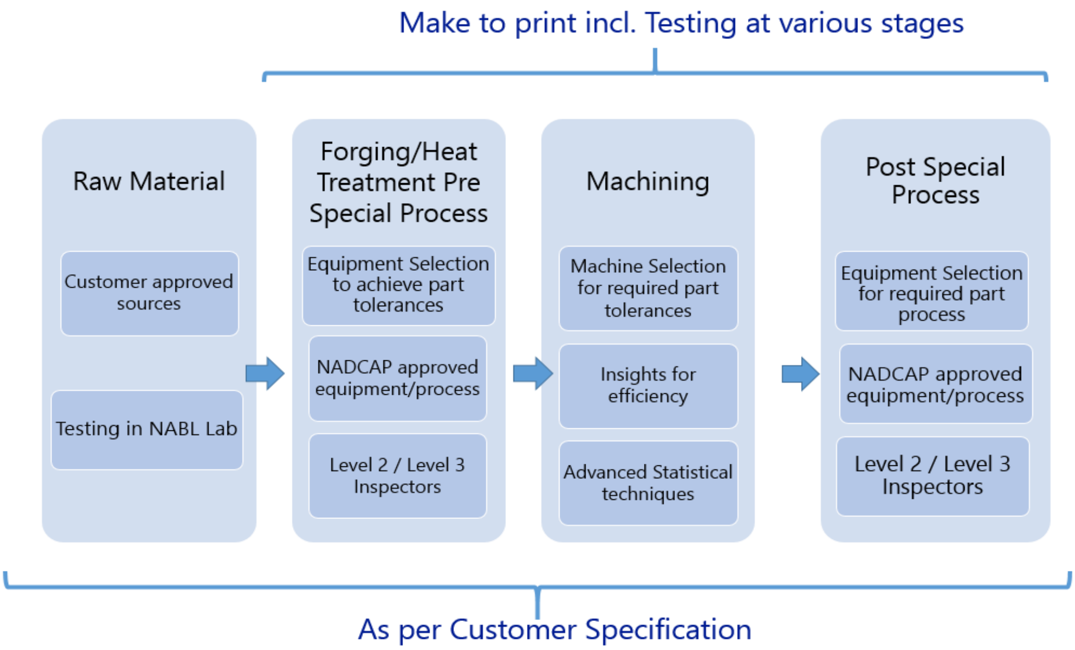
Details of our business model are set out below, where purchase orders are received by our Company pursuant to the request for quote ("**RFQ**")/ request for proposal ("**RFP**") or tenders or long term agreements ("**LTA**")/ long term contracts ("**LTC**") methods. Brief details are set out below:



Brief details of our process flow are set out below:



Brief details of our "make to print" manufacturing process which includes relevant testing activities at various stages is set out below:



Quality Control

Quality control and assurance is a vital component of our manufacturing processes and we follow stringent quality barometers expected by our globally customers. Our robust quality systems are guided and validated pursuant to, *inter alia*, ISO 9001:2015, AS 9100:2016 and AS 13100 quality management systems with regular functioning, monitoring and continuous improvements in accordance per these standards. Our quality team is trained with the modern and best-practices and are committed to exceeding expectations of interested parties.

A brief overview of our quality function is set out below:

a. Detailed steps to understand stated and implied requirements and expectations of interested parties;
b. Strict implementation of industry and customer specification in all process steps, including for incoming materials, in-house operations or special processes;
c. Modern statistical analysis to monitor and improve the process parameters;
d. Using a six sigma approach for process improvements; and
e. Using a supportive approach to downstream specific requirements while ensuring strict compliance to requisite codes and standards.

Distribution and Logistics

Our entire manufacturing supply chain is reliant on logistical excellence. Our commitment to delivering the goods on-time and at the right location stems out of our efficient logistics systems. We've developed a strong logistics network comprising of logistics partners under our own procedures and policies. Our logistics team efficiently manages shipping, customs and domestic road transportation. Further, our logistics procedures and standard operating manuals meet the international guidelines on Incoterms 2020.

Salient features of our logistics management system include:

a. Inward logistics management: We have experienced logistics managers backed by standard operating procedures to handle all inward logistics.
b. Outward logistics management: Our wide network of partners ensures timely delivery of goods.
c. Logistics partners surveillance: Regular surveillance is conducted on our logistics partners to ensure efficient service and detecting any advance threats.
d. Custom handling: Our logistics personnel are geared up with latest guidelines issued by the Government of India to liaison for clearances with Directorate General of Foreign Trade and Central Board of Indirect Taxes and Customs.
e. Advance authorization and Export Promotion Capital Goods Scheme license: We regularly export to global OEMs and have long-term experience of handling advance licenses for import of raw materials. Further, machines are imported under Export Promotion Capital Goods Scheme licensing program.
f. Export house status: We have been awarded the title of “Star Export House” by Directorate General of Foreign Trade.

Supply Chain

Our supply chain is well integrated into ISO 9001:2015 and AS 9100:2016 management systems with regular functioning, monitoring and continuous improvements in accordance with these standards. Our integrated supply chain is capable of handling global purchase of raw materials, special processes, in-bound and out-bound warehousing and logistics.

Our supply chain functions in accordance with leading standards by ensuring the following:

a. Selection and monitoring of suppliers with experienced personnel having decades of experience in this area;
b. Special process supplier panel management in line with Performance Review Institute’s published data;
c. Sub-contracting management with scientifically laid out selection and monitoring criteria;
d. Contract management with suppliers on OEM panels;
e. Close monitoring of quality, cost and delivery coming from suppliers; and
f. Development of localized competence with the objective of improving supply chain performance.

Sales and Marketing

Our sales, business development, and marketing teams serve as integral pillars within our growth function. Our professionals are dedicated to nurturing enduring, robust connections with the leadership teams of our valued clients. This strategic synergy enables us to attain insights into their precise requirements, resulting in our distinction as a strategic growth supplier for numerous esteemed clients.

We have sales in 15 countries in the period between March 31, 2021 and June 30, 2023 with players in the aerospace and defence, energy, and oil and gas industries. Through a seamless process of ongoing engagement and long-standing relationships, our teams collaborate closely with the leadership of our clientele. Customer insights are interwoven with our engineering and design teams, ensuring that our offerings consistently align with the requisite specifications and industry regulations.

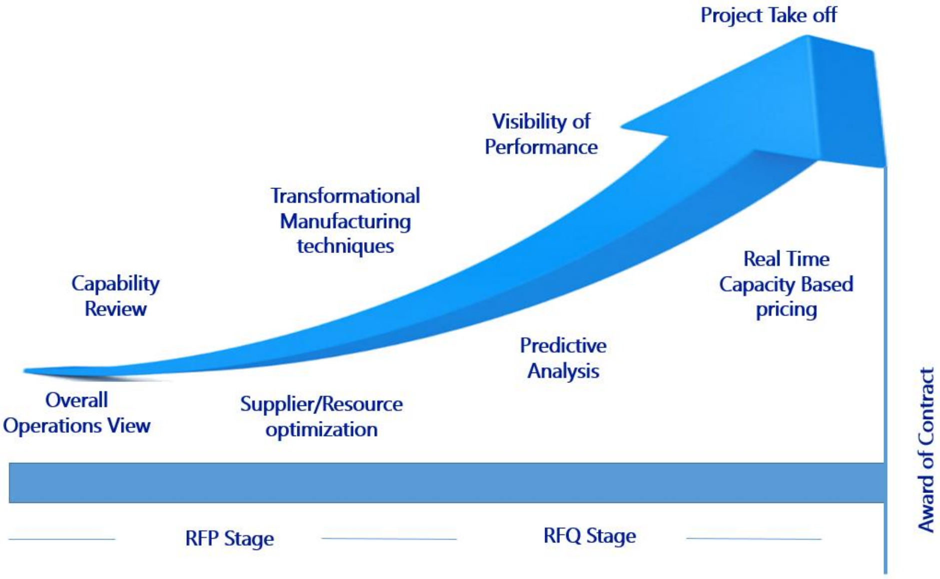
Our commitment to cultivating customer relationships extends beyond traditional approaches – we organise regular site visits, training programs for our technical experts at our own facilities, active participation in international client gatherings, conferences and exhibitions. This proactive involvement ensures that our teams are finely attuned to the distinctive challenges and requirements of our valued clients. By maintaining an active presence in industry exhibitions, we have established ourselves as trusted partners to our customers' leadership teams.

On receipt of any enquiry/ RFQ/ tender, the same is registered in the enquiry register. To verify the input, we initiate RFQ for feasibility study by conducting an enquiry review which fulfils the following criteria:

a. Whether all product related input required for the stated enquiry is available;
b. Whether any statutory and regulatory requirements related to product is stated;
c. Whether we have the required capabilities for meeting the product requirements;
d. Whether any new technology or new resource is required;
e. Whether the lead time for the new product development or delivery is sufficient;
f. Whether any difference is found compared to previous orders; and
g. Whether conditions not stated but need to accomplish for the specified and intended use

Based on the above checks, the enquiry review is submitted to our marketing head for approval and to record the decision/ analysis in relation to the same. If the scope of requirements is not feasible, then the enquiry review is escalated to the for decision on missing requirements. This is also discussed with customers for further recommendations. We identify the risks involved in the enquiry/ RFQ/ tender and enter the same in enquiry review. If the risks are preventable/ acceptable then we prepare the costing requirements and submit them to the marketing head. The cost estimation is done in accordance with the requisite procedures and the records are maintained by estimation and costing team. The cost is arrived at based on an estimation sheet and quotation is prepared and approved by the designated authority. We submit the commercial quotes along with terms and conditions to our customer. Upon receipt of the order from customers, we verify the order to confirm if it in line with the quote.

Set out below is a brief review of our sales and marketing activities:



Our Customers

Our customers include global OEMs across the aerospace and defence, energy, and oil and gas industries and include General Electric, Honeywell International Inc., Mitsubishi Heavy Industries, Ltd., Siemens Energy, Eaton Aerospace and MAN Energy Solutions SE. Our customers belong to a diverse range of high-entry-barrier industries that have stringent quality and qualification requirements which require significant capital investments and constant innovation. For further details see " – *Long-standing and deep customer relationships*" on page 171.

Description of contracts

We received purchase orders pursuant to (a) RFQs/ RFPs, (b) LTAs/ LTCs, and (c) tenders.

While we have long-term agreements with certain customers ranging from a period of three to ten years, in accordance with such long-term agreements, we may not have any recourse in the event of an unexpected delay or cancellation of such agreements. Certain of our customer contracts and purchase orders may have penalties/ damages in relation to delayed/ late delivery or delivery of defective products in accordance with such agreements/ contracts. Certain contract requires to give first preference of product delivery to favoured customers. Further, in certain contracts there is a reference to few machineries being booked for specific customers.

We are also liable to our customers on procurement of raw materials from non-approved sources. We may also be required to replace a supplier if its products do not meet our customer's safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions. Further, some of our agreements/ contracts may be terminated by our customers, including without cause.

We may also be required to undertake price reduction in certain cases on a year-on-year basis under some of our agreements/ contracts. Further, in certain cases, we may be required to demonstrate cost-efficiencies over time and provide reduced costs on the product under some of our agreements/ contracts. We are also bound by confidentiality obligations under our customer contracts, violation of which could result in legal actions by our customers.

Customer case studies:

a. Recently we have partnered with and have entered into a long-term supply agreement with a global OEM which has engaged us for the manufacture of critical rotating parts for nuclear energy turbines. We have received a qualified status from this company pursuant to us satisfying the stringent technical and safety requirements which act as a high-entry barrier for players in this industry. Despite the significant expenses associated with qualifying this manufacturing partner, we have demonstrated efficiency pursuant to machining time reduction, which we believe is our competitive strength against manufacturers from China, Europe, USA and Japan.
b. We have initiated a dedicated facility for Mitsubishi Heavy Industries, Ltd. to manufacture airfoils/ blades and other products, a testament to our relationship with this customer. Our Company and Mitsubishi Heavy Industries, Ltd.'s journey commenced in 2012 with a few machines, progressed to an exclusive bay in one of our current manufacturing facilities, and is now evolving into a forthcoming manufacturing facility being setup exclusively for this customer. This facility will be a part of our Company's upcoming 'Centre for Excellence and Innovation Centre'. Currently, we manufacture and supply airfoils/ blades and other special machined parts for Mitsubishi Heavy Industries, Ltd.'s gas and thermal energy turbines. We have also received a "Certificate of Appreciation" award from Mitsubishi Heavy Industries in Financial Year 2022 for our efforts and performance.

Employees

We endeavour to be an employer of choice by fostering an environment of aspirational goal setting, continuous improvement, in addition to providing health and safety with corporate responsibility. As of June 30, 2023, set out below are details of our employees:

Department	No. of employees
Production	569
Quality control	256
Polishing	157
Engineering	39
Maintenance	32
Administration	29
Quality assurance	27
Planning	25
Stores	23
Forging	21
Business development and projects	16
Tool store	15
Accounts	11
Cutting	10
Purchase	8
Heat treatment	5
Systems and development	5
Human resources	4
Operations	4
Information technology	3
Logistics	3
Special process	3
Business and strategy	2
Legal and secretarial	2
Supply chain management	1
Total	**1,270**

As of June 30, 2023, we engaged a total of 248 contract workers/ temporary employees.

For further information, see "*Risk Factors – We may be affected by strikes, work stoppages or increased wage demands by our employees that could interfere with our operations.*" on page 45.

ESG

We are committed to meet current requirements without compromising the needs of future generations and ensure participation in environmental, social and governance ("**ESG**") initiatives. We combine economic, environmental and social factors in our operation and our business decisions. Our product and the manufacturing processes require us to comply with various environmental laws and regulations. We follow all the statutory and regulatory requirements, as applicable, and do ensure the interested parties are engaged in these activities. We have not been subject to legal proceedings or fines by any regulatory firms and have no pending actions. Our policies are laid with sustainability goals that are monitored to abide by the environmental laws and regulations.

We are committed to promote equality in our employment practices and to fair employment and remuneration policy in compliance with applicable laws. We are firmly opposed to employ or contract child or slave labour or any form of forced or compulsory or bonded labour. We condemn all forms of illegal, unfair, unethical labour practice that exploits workforce, destroys social security or serves as tax evasion, including but not limited to undeclared and “grey” work or holding back wages.

Our relationships with business partners are built upon trust and mutual benefits compliant with competition law. We are dedicated to ethical and fair competition, as we sell products and services based on their quality, functionality and competitive pricing. We provide a safe and healthy working environment and, if applicable, safe and to operate in an environmentally responsible and efficient manner. All required permits, licenses and registrations are obtained, maintained and kept up to date in the ordinary course of business.

Properties

The following table sets forth the details of our Registered and Corporate Office and manufacturing facilities:

S. No.	Address	Description and Usage	Ownership status	Tenure of Lease
1.	90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500 055, Telangana, India*	Registered and Corporate Office and main manufacturing facility	Leased land	September 1, 2023 until August 31, 2033
2.	Industrial shed No. D-42 and 43, T.S.I.I.C, Industrial Development Area, Phase - V, Jeedimetla Industrial Park, Quthbullapur Mandal, Medchal - Malkajgiri District Hyderabad 500 055, Telangana, India	Factory – manufacturing	Leased land	September 15, 2021 until September 14, 2024
3.	Industrial Plot No. 63/A, T.S.I.I.C, Industrial Development Area, Phase – I, Jeedimetla Village, Industrial Park, Quthbullapur Mandal, Medchal - Malkajgiri District, Hyderabad 500 055, Telangana, India	Factory – manufacturing	Leased land	June 30, 2022 until June 29, 2024
4.	Plot No.17/B, Phase - III, Industrial Park, Pashamylaram, Patancheru, Medak 502 205, Telangana, India	Factory – precision forging, testing, heat treatment, and RM warehouse	Owned land	N.A.

Our Promoter has entered into two share purchase agreements each dated September 16, 2023 to purchase 13,150 equity shares and 50,350 equity shares of our Erstwhile Subsidiaries i.e., Swastik Coaters Private Limited and Rouland Chemicals Private Limited, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities, respectively. Swastik Coaters Private Limited and Rouland Chemicals Private Limited hold the free hold title to the land situated at Plot Number 90/C in Survey Numbers 298/A and 299/2, all situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India and Plot Number 90/D in Survey Number 299/2, situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India on which one of our current manufacturing facilities are situated (collectively the "Subject Land**"). Swastik Coaters Private Limited and Rouland Chemicals Private Limited have pursuant to lease deeds dated September 27, 2023, leased their respective portions of the Subject Land to our Company for a period of 10 years with effect from September 1, 2023 for a monthly lease rental of ₹0.12 million under each of the lease deeds, along with the applicable goods and services taxes applicable on such payment under both lease deeds with a 5% annual escalation. Further, our Company has paid ₹4.96 million each to Rouland Chemicals Private Limited and Swastik Coaters Private Limited, respectively, as security deposit under the lease deeds which is required to be refunded on termination or expiry of the lease deeds. Our Company has the right to terminate each of the aforesaid lease deeds at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana. For further details see, “Risk Factors – We are highly dependent on our Promoter and our management team, senior management and key managerial personnel and the loss of any key team member may adversely affect our business performance.”, “Our Management – Interests of Directors, “Our Management – Interest of Key Managerial Personnel and Senior Management Personnel” and “History and Other Corporate Matters – Other Agreements” on page 34, 207, 216 and 200, respectively.*

For risks in relation to proposed capacity expansion by means of our two manufacturing facilities in the pipeline, see “*Risk Factors – Our proposed capacity expansion plans via our new manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.*” on page 41.

Intellectual Property

Our intellectual property includes one domain name and applications have been made for two trademarks (word and device) i.e., our corporate logo “ AZAD ” and “*AZAD ENGINEERING*” (applications numbers 2354716 and 5810054). Our domain name expires on November 5, 2024.

For risks in relation to our intellectual property, see “*Risk Factors – If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.*” on page 44.

Competition

We are one of the key manufacturers of our qualified product lines in the aerospace and defence, energy and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components (*Source: EY Report*). We compete with manufacturers from China, Europe, USA and Japan (*Source: EY Report*). For further information, see "*Industry Overview*" on page 111.

We face competition from larger global manufacturers; however, we believe that our expertise in manufacturing complex and highly engineered precision forged and machined components and our process efficiencies and long-standing customer relationships act as a competitive strength.

For further information on risks related to competition, see "*Risk Factors – Any failure to compete effectively in the highly competitive global industry of high precision and mission critical components manufacturing could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.*" on page 29.

Information Technology

We have positioned ourselves as a technology-driven and innovative company within the aerospace and defence, energy and oil and gas industries. Our aim of automating every single process is achieved by implementing manufacturing execution systems to increase the overall production efficiency and shorten the time to produce with enhanced quality along with reducing downtime and idle time. Further, our legacy data is in the process of moving from an existing system to a new enterprise resource planning database. We are committed to upgrade our information technology systems in a timely fashion to ensure business continuity and process efficiency.

For further information on risks related to our information technology, see "*Risk Factors – Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of our customers or other third parties with which we conduct business, could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.*" on page 46.

Insurance

We maintain insurance policies for our manufacturing facilities, our operations and our personnel, including standard fire and special perils, burglary, group health and group personal accident insurance. The details of our total insurance coverage and our insurance coverage as a percentage of our total assets on a consolidated basis, as of June 30, 2023, has been set out below:

Particulars	As of June 30, 2023
Total insurance coverage (in ₹ million)	3,879.20
Total insured assets* (in ₹ million)	2,964.42
Total assets** (in ₹ million)	3,491.19
Total insurance coverage as a percentage of total insured assets (%)	130.86

**Includes factory buildings, plant and machinery, electrical fittings, furniture and fittings, computer and data processing, server and networks, office equipment and inventories but excludes land, vehicles and capital work in progress*
***Includes property, plant and equipment, capital work in progress and inventory*

Awards and Recognition

We have consistently been awarded and recognised for our manufacturing processes, products, and efforts by, *inter alia*, various industrial bodies, the Government of India and our customers. Please see "*History and Certain Other Corporate Matters – Awards and accreditations*" and " – *Long-standing and deep customer relationships*" on page 196 and 171, respectively, for details of the key awards and recognition received by us.

CSR

We have instituted a corporate social responsibility policy which encompasses our Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. As part of our corporate social responsibility efforts, we strive to focus on (a) hunger, poverty malnutrition and health, (b) education, (c) gender equality and empowerment of women, (d) environmental sustainability, (e) national heritage, art and culture, (f) benefit of arms force veterans, (g) promotion of sports, (h) contribution to relief funds, (i) contribution to research, (j) contribution to universities, (k) rural development projects, (l) slum area development, and (m) disaster management.

For period ended June 30, 2023 and the years ended March 31, 2023, 2022 and 2021 we spent nil, ₹8.52 million, nil and ₹2.28 million, respectively.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to the business and operations of our Company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 319.

The information detailed in this section, is based on the current provisions of applicable statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications by subsequent legislative, regulatory, administrative or judicial decisions. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice.

Key legislations applicable to our Company

Industrial (Development and Regulation) Act, 1951, as amended ("I(D&R) Act")

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace and defence equipment. The I(D&R) Act is administered by the Ministry of Commerce and Industry through the Department of Industrial Policy and Promotion ("**DIPP**"). The main objectives of the I(D&R) Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

Remission of Duties and Taxes on Exported Products Scheme ("RoDTEP Scheme")

The RoDTEP Scheme has been with effect from January 1, 2021. The aim of the RoDTEP Scheme was to reimburse all exporters for previously non-reimbursable taxes and duties. This provides new benefits to exporters for exporting products outside of India and encourages global trade. Under the RoDTEP Scheme, support will be provided to eligible exporters at a notified rate as a percentage of Freight on Board ("**FOB**") value. Mandi tax, VAT, coal cess, central excise duty on fuel etc. is refunded. The refund is issued in the form of transferable electronic scrips. These duty credits will be maintained and tracked through an electronic ledger. Certain categories, which would not avail the benefits include export goods that are subject to minimum export price, restricted and prohibited items, deemed exports, supplies of goods manufactured by domestic tariff area units to Special Economic Zones ("**SEZs**"), and products manufactured or exported by units situated in SEZs.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

The Factories Act, 1948 ("Factories Act")

The term 'factory', as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the 'occupier' of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the 'occupier' and 'manager' of the factory as defined under the Factories Act may be punished with imprisonment or with a fine or with both and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

Other labour related legislations

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely:

i. The Code on Wages, 2019 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 vide notification dated December 18, 2020, notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board. The remaining provisions of this code will be brought into force on a date to be notified by the Central Government.

ii. The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on April 1, 2021. It proposes to subsume several separate 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 code proposes to provide for inter alia standards for health, safety and working conditions for employees of the establishments. The provisions of this code will be brought into force on a date to be notified by the Central Government.

iii. The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on April 1, 2021. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

iv. The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on April 1, 2021. It proposes to subsume several separate 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 (Regulation of Employment and Condition of Service) Act, 1996

Environmental laws

The Environment (Protection) Act, 1986* (“*EPA*”) *and Environment (Protection) Rules, 1986

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. This includes rules for, *inter alia*, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the state boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

The Solid Wastes Management Rules, 2016 (“Solid Wastes Rules”)

The Solid Wastes Rules apply to every domestic, institutional, commercial and any other non-residential solid waste generator except industrial waste, hazardous waste, hazardous chemicals, bio medical wastes, e-waste, lead acid batteries and radio-active waste, that are covered under separate rules framed under the Environment (Protection) Act, 1986. As per the Solid Waste Rules, the local authority or panchayat is required to make an application in Form-I for grant of authorisation for setting up waste processing, treatment or disposal facility, if the volume of waste is exceeding five metric tonnes per day including sanitary landfills from the State Pollution Control Board or the Pollution Control Committee, as the case may be. Any municipal solid waste generated is required to be managed and handled in accordance with the procedures specified in the Municipal Solid Wastes Rules. Penalties for contravention of the provisions of the Municipal Solid Wastes Rules will be as specified in the EPA.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) as amended by the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “*hazardous waste*” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “*occupier*”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

In addition to the above-mentioned environmental laws, following is an indicative list of the environmental laws which may be applicable to our Company due to the nature of the business activities:

- Plastic Waste Management Rules, 2016, as amended;
- Bio-medical Waste management Rules, 2016, as amended;
- E-waste (Management) Rules, 2016, as amended;
- Ozone Depleting Substances (Regulation and Control) Rules, 2000, as amended;
- Noise Pollution (Regulation and Control) Rules, 2000, as amended; and
- Gas Cylinders Rules, 2016, as amended.

Further, the Ministry of Environment, Forest and Climate Change, Government of India has also notified the E-Waste (Management) Rules, 2022, which shall come into effect on April 1, 2023. These rules apply to every manufacturer, producer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, refurbishing, dismantling, recycling and processing of e-waste or electrical and electronic equipment including their components, consumables, parts and spares which make the product operational.

Tax laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income-tax Act 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017 and various state-wise legislations made thereunder;
- The Integrated Goods and Services Tax Act, 2017 and rules thereof;
- Professional tax-related state-wise legislations;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- Customs Act, 1962.

Foreign Investment Laws

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder ("FTA")

The FTA is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2021) prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("**IEC**") granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The Foreign Exchange Management Act, 1999 ("FEMA") and regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian companies as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, in accordance with Press Note No. 4 (2020 Series), dated October 15, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

Competition Act, 2002 ("Competition Act")

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India ("**Commission**") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act) he shall be punishable with a fine which may exceed to ₹0.10 million for each day during such failure subject to maximum of ₹10.0 million, as the Commission may determine.

Intellectual property laws

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks. The registration of a trademark under the Trade Marks Act confers on the proprietor the exclusive right to the use of the trade mark, and the right to obtain relief in respect of infringement of the trade mark. The registration of a trademark shall be for a period of ten years, but may be renewed from time to time as prescribed under the Trade Marks Act. The Trade Marks Act also prescribes penalties for the falsification or false application of trade marks.

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.

Designs Act, 2000 ("DA") and the Designs Rules, 2001 ("DR")

The DA regulates and protects the originality of an article's design and prohibits the piracy of registered designs. The primary objective of the DA is to protect new or original designs from getting copied, and ensure that the creator, originator or artisan of the design is not deprived of their rightful gains for the creation of their design. The central government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc.

Other applicable laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, fire-safety related laws, contract act, foreign trade laws and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Azad Engineering Private Limited' at Hyderabad, Telangana, a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated September 14, 1983, issued by RoC. Subsequently, the name of our Company was changed to 'Azad Engineering Limited' pursuant to the conversion of our Company from a private limited company to a public limited company and a fresh certificate of incorporation dated September 5, 2023, was issued by the RoC.

Changes in our Registered and Corporate Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the change in address of our registered office	Reason for change
February 26, 2014	The registered office of our Company was changed from 66, Venkateshwara Industrial Estate, Balanagar, Hyderabad – 500 037, Andhra Pradesh, India to Plot no. 90/C, Phase-1, IDA, Jeedimetla, Hyderabad 500 055, Andhra Pradesh, India.	Administrative convenience
February 2, 2020	The registered office of our Company was changed from Plot no. 90/C, Phase-1, IDA, Jeedimetla, Hyderabad 500 055, Telangana, India to 90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad 500 055, Telangana, India.	Business growth

Main objects of our Company

The main objects in our Memorandum of Association are set forth below:

1. *"To carry on the work of Mechanical and Electrical Engineers and to run a work shop to undertake and execute all types of mechanical and structural jobs of manufacture, general fabrication, erection of article, precission press parts, precision tools, dies, jigs, fixtures, pressure die castings and to buy, sell, import, export, manufacture, process , repair, convert take on lease or on hire, let on hire or otherwise deal in such products their raw materials, stores, packing material, by products, and allied commodities and articles, machinery ,stock, tools & implements.*
2. *To carry on the business of Iron and Brass founders, metal workers, tool makers, boiler makers, Iron and steel convertors, manufacturer of all types of Hardware items, metalergist, electrical, civil and mechanical engineers and production or manufacture and preparation of any other material which may be usefully combined with the engineering or manufacturing business of the Company.*
3. *To manufacture and fabricate all kinds of machinery, tools, paint and implements and to manufacture agricultural implements, material handling equipment, aviation equipments, cranes, compressors, mills and their auxiliaries, and carriages of all kinds.*
4. *To carry on the business of ferrous and non-ferrous metals, their alloys and their products to work as founders, casters, anncalers, galvanizers, electroplaters, cleaners Polishers, finishers and die-sink-ers mechanical and electrical engineers, manufacture of workshop, tools equipment and power presses sugar, textile, vanaspati, Oil, printing and paper machine plants, spare parts gadgets, Cast iron, steel mellable G.I.black iron, brass and copper, pipes, and pipe fittings, tubes and tabular articles for domestic and industrial purpose, surgical tools, and equipments, rolling and wire drawings, sheet, flat and wire articles, embossing and pressing machinery, cycle parts motor car and their parts.*
5. *To carry on any business relating to the winning and working of minerals, the production and working of metals, the production, manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company or any contracts undertaken by the Company and either for the purposes only of such contracts or as an independent business."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

The following table sets forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/ effective date	Details of the amendments
February 27, 2014	Clause V of the Memorandum of Association was amended and the share capital was reclassified. The updated Clause reads as follows: Authorised share capital of ₹50,000,000 divided into 160,000 equity shares of face value ₹100 each and 340,000 preference shares of face value ₹100 each.
January 5, 2015	Clause V of the Memorandum of Association of the Company was amended to reflect the following:

Date of Shareholders' resolution/ effective date	Details of the amendments
	Increase in the authorised share capital from ₹50,000,000 divided into 160,000 equity shares of face value ₹100 each and 3,40,000 preference shares of face value ₹100 each to ₹100,000,000 divided into 160,000 equity shares of face value ₹100 each and 840,000 preference shares of face value ₹100 each.
February 19, 2019	Clause V of the Memorandum of Association of the Company, was amended to reflect the following: (a). Subdivision of equity share having face value of ₹100 each into ₹10 each fully paid up equity share; and (b). Authorised share capital of company of ₹100,000,000 was divided into 1,600,000 equity shares of face value ₹10 each and 840,000 preference shares of face value ₹100 each.
October 15, 2022	Clause V of the Memorandum of Association of the Company was amended to reflect the following: (a). Reclassification of authorised share capital of ₹100,000,000 was divided into 1,600,000 equity shares of face value ₹10 each and 840,000 preference shares of face value ₹100 each to ₹100,000,000 divided into 10,000,000 equity shares of face value ₹10 each; and (b). Increase in the authorised share capital of ₹100,000,000 divided into 10,000,000 equity shares of face value ₹10 each to ₹150,000,000 divided into 1,50,00,000 equity shares of face value ₹10 each.
July 14, 2023	Clause I, IIIA and IIIB of the Memorandum of Association of the Company was amended to reflect the change in the name of our Company from *"Azad Engineering Private Limited"* to *"Azad Engineering Limited,* pursuant to conversion from private limited company to public limited company.
September 12, 2023	Pursuant to a resolution passed by our Board and our Shareholders on September 11, 2023 and September 12, 2023, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹2 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 1,651,826 equity shares of ₹10 each to 8,259,130 Equity Shares of ₹2 each.

Major events and milestones our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar year	Milestone
1983	Incorporation of our Company.
2008	Established CNC machine shop
	Purchase order for delivery of moving airfoils/ blades to a large government-owned power generation equipment manufacturer
2012	Constructed a forge shop and a heat treatment facility for production.
2014	Moved to new facility. For details, see " – *Changes in our Registered and Corporate Office*" on page 195.
2017	Inaugurated exclusive manufacturing bay for Mitsubishi Hitachi Power Systems Industries, Ltd. (erstwhile name of Mitsubishi Industries, Ltd.) to produce critical gas/ thermal turbines parts
2019	Entered into a long-term contract with Honeywell International Inc. for supply of aerospace products.
2021	Acquired 23.45 acres of land to construct a new plant (Phase 1 expansion) for production.
	₹600 million worth of capital raised for the first time by our Company.
	Entered into a long-term contract with GE Aviation for supply of aerospace products.
	Established capabilities for special processes.
2022	Acquired 18.50 acres of land to construct a new plant (Phase 2 expansion) for production.
	₹2,173 million worth of capital raised for the first time by our Company.
	Received the certificate for "Fluid Distribution Systems" from the National Aerospace and Defense Contractors Accreditation Program (NADCAP) for the aerospace products of the Company.
2023	Onboarded marquee investors from the sports fraternity.

Awards and accreditations

Details of key awards received by our Company are set out below:

Calendar Year	Name of the award
2013	Regional "Star Performer – Large Enterprise (engine and turbines & parts thereof)" award from EEPC India at the Regional Export Awards.
	"New Best Business Partner" by Hindustan Aeronautics Limited in blades manufacturing.
2014	Certificate of Excellence and Star Performer Award 2013 – 14 in the product group Engine and Turbines and Parts, Medium Enterprise" award from Engineering Exports Promotion Council for 2013-14.
	"Excellent Supplier Award 2014" from Doosan Skoda Power.
2015	"Special Trophy for Excellence in Exports of High Technology Products for the year 2014-2015, Large Enterprises Category" from Engineering Exports Promotion Council, India.
2017	"Excellent Award" for GE Belief from General Electric.
	"Excellence in Manufacturing" award from Godrej Aerospace.
2018	"Best Partner of the Year" award from Mitsubishi Hitachi Power Systems, Ltd.
2019	"Lean and Digital Excellence" award from GE (South Asia).
	"Operational Excellence" award from General Electric.
	"Developing Sustainable Partnership" award from Godrej Aerospace.
	"Excellence in Manufacturing" award for machining critical component from Godrej Aerospace.

Calendar Year	Name of the award
2020	"Star Performer – Large Enterprise (Engines and Turbines & Parts)" for export excellence by the Engineering Exports Promotion Council India, Southern Region.
	Award for "Outstanding Commitment in Driving Commercial Competitiveness" by GE Gas Power.
2021	"Certificate of Appreciation" from Tata Lockheed Martin Aerostructures Limited for "Industrializing the Fighter Wing".
2022	National award for "Commercialization of Indigenous Process of Forging and Machining the Turbine Blade" from Ministry of Micro, Small & Medium Enterprises Office of The Development Commissioner.
	"National MSME Award – 2022" by Ministry of Micro, Small and Medium Enterprise for first prize in manufacturing export medium enterprise.
	"Technology Development National award" from Technology Development Board Department of Science & Technology Government of India.
	"Making India Atmanirbhar" award by Godrej Aerospace.
	"Excellence in Manufacturing" award for machining critical components by from Godrej Aerospace.
	"Certificate of Appreciation" presented by Mitsubishi Heavy Industries, Ltd. for producing more than USD10 million of gas turbine compressor blades and steam engine turbine blades.

Time and cost overruns

As of the date of this Draft Red Herring Prospectus there have been no time and cost overruns in respect of our business operations.

Defaults or re-scheduling/ restructuring of borrowings with financial institutions/banks.

We have, in the past, not defaulted in respect of our Company's borrowings, which have been repaid or waived by the lenders as on the date of this Draft Red Herring Prospectus.

There has been no rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Our Company does not have any significant financial and/or strategic partners as on the date of this Draft Red Herring Prospectus.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity, location of our manufacturing facilities, see "*Our Business*" on page 160.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as detailed below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers or amalgamations in the last 10 years:

1. Pursuant to a share transfer form dated June 18, 2021, our Company divested from Agen Metcast Private Limited, by selling its shareholding of 9,999 equity shares for a total consideration of ₹0.99 million.

2. Pursuant to share purchase agreement dated September 16, 2023, executed between our Promoter, our Company and Swastik Coaters Private Limited, our Company sold its entire stake in Swastik Coaters Private Limited to our Promoter for a consideration of ₹60.86 million pursuant to which Swastik Coaters Private Limited has ceased to be our Company's subsidiary.

3. Pursuant to share purchase agreement dated September 16, 2023, executed between our Promoter, our Company and Rouland Chemical Private Limited, our Company sold its entire stake in Rouland Chemical Private Limited to our Promoter for a consideration of ₹58.00 million, pursuant to which Rouland Chemical Private Limited has ceased to be our Company's subsidiary.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Shareholders' agreements

Except as disclosed below, our Company does not have any subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Company:

Share subscription agreement dated October 11, 2022, entered between our Company, Rakesh Chopdar and Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital ("Investors") ("SSA").

Pursuant to the SSA, our Company issued and allotted 95,138 equity shares of face value ₹10 to the Investors for a total consideration of ₹573.01 million, as provided in the following table:

Name of the shareholder	Number of equity shares of face value ₹10	Amount (in ₹ million)
Venkata Subbaraju Penmetsa	10,703	64.46
Rajyalakshmi Penmetsa	9,514	57.30
Vivek Mundra	28,541	171.90
Nageshwar Reddy Duvvur	19,028	114.60
Bindiya Mahapatra	9,514	57.30
Venkata Krishnam Raju Alluri	5,946	35.81
Vijay Kumar Raju Alluri	2,378	14.32
Pilot Consultants Private Ltd	4,757	28.65
Plutus Capital	4,757	28.65
Total	**95,138**	**573.01**

Share purchase agreement dated February 23, 2023, executed between our Company, Rakesh Chopdar and Venkatsai Laxman Vangipurapu ("SPA"). Venkatsai Laxman Vangipurapu became a party to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 23, 2023.

Pursuant to the SPA, our Promoter sold 1,460 equity shares of face value ₹10 each to Venkatsai Laxman Vangipurapu for a total consideration of ₹9.99 million.

Share purchase agreement dated February 23, 2023, executed between our Company, Rakesh Chopdar and Velagapudi Pranavi Chandra ("SPA"). Velagapudi Pranavi Chandra became a party to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 23, 2023.

Pursuant to the SPA, our Promoter sold 1,460 equity shares of face value ₹10 each to Velagapudi Pranavi Chandra for a total consideration of ₹9.99 million.

Share purchase agreement dated February 21, 2023, executed between our Company, Rakesh Chopdar and Sachin Ramesh Tendulkar ("SPA"). Sachin Ramesh Tendulkar became a party to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 21, 2023.

Pursuant to the SPA, our Promoter sold 14,607 equity shares of face value ₹10 each to Sachin Ramesh Tendulkar for a total consideration of ₹49.99 million.

Share purchase agreement dated February 23, 2023, executed between our Company, Rakesh Chopdar and Pusarla Venkata Sindhu ("SPA"). Pusarla Venkata Sindhu became a party to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 23, 2023

Pursuant to the SPA, our Promoter sold 1,460 equity shares of face value ₹10 each to Pusarla Venkata Sindhu for a total consideration of ₹9.99 million.

Share purchase agreement dated February 22, 2023, executed between our Company, Rakesh Chopdar and Saina Nehwal ("SPA"). Saina Nehwal became a party to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 22, 2023

Pursuant to the SPA, our Promoter sold 1,460 equity shares of face value ₹10 each to Saina Nehwal for a total consideration of ₹9.99 million.

Share purchase agreement dated February 23, 2023, executed between our Company, Rakesh Chopdar and Nikhat Zareen ("SPA"). Nikhat Zareen became a party to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 23, 2023.

Pursuant to the SPA, our Promoter sold 1,460 equity shares of face value ₹10 each to Nikhat Zareen for a total consideration of ₹9.99 million.

Share purchase agreement dated February 21, 2023, executed between our Company, Rakesh Chopdar and Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao ("SPA"). Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao became parties to the shareholders' agreement dated October 11, 2022, by entering into a deed of adherence dated February 17, 2023.

Pursuant to the SPA, our Promoter sold 20,458 equity shares of face value ₹10 each to the parties to the SPA for a total consideration of ₹140.04 million, as provided in the following table:

Name of the Purchaser	Number of equity shares of face value ₹10	Amount (in ₹ million)
Venkata Subbaraju Penmetsa	6,721	46.00
Rajyalakshmi Penmetsa	5,844	40.00
Chamudeswara Nath Vankina	2,922	20.00
Asian Institute of Gastro Enterology Private Limited	1,461	10.00
Venkat Rao Guduru	731	5.00
Milind Chama	731	5.00
Anupa Sajjanar	585	4.00
N Srinivas Rao	585	4.00
Dheeraj Reddy Endela	439	3.00
Anitha Mudireddy	439	3.00
Total	20,458	140.04

Shareholders' agreement dated October 11, 2022, entered into between and amongst our Company, Rakesh Chopdar, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital, and parties deemed to be parties to the shareholders' agreement pursuant to the respective deed of adherence, namely Nikhat Zareen, Pranavi Chandra, Pusarla Venkata Sindhu, Sachin Tendulkar, Saina Nehwal, Venkatsai Laxman Vangipurapu, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao (together, the "Parties" and such agreement, the "Shareholders' Agreement"), as amended by the shareholders' waiver cum amendment agreement dated September 23, 2023, executed among the Parties ("SHA Amendment Agreement")

The Shareholders' Agreement sets out the terms and conditions based on which the Parties will participate in the business of our Company and the terms governing their relationship in respect of the management and governance of our Company.

Under the Shareholders' Agreement, so long as the investors (including through their affiliates) collectively hold Equity Shares equivalent to at least 4% of the total paid up equity share capital of our Company, the investors will have the right to collectively nominate one individual as an 'observer' on the Board who will have the right to receive all notices to Board meetings, as otherwise sent to other members of the Board and attend such meetings to observe the transactions earned on by our Company at such meetings. The observer will not, however, have any voting rights but it will have the right to submit reports or such other information relating to transactions at the Board meetings to the investors.

Certain other rights that the investors are entitled to under the Shareholders' Agreement include (i) restrictions on transfer of Equity Shares by the investors, except as permitted under the Shareholders' Agreement; (ii) right of first offer, tag-along rights in case of transfers by shareholders; (iii) management and information rights; (iv) pre-emptive rights; and (v) inspection and access rights.

In view of the initial public offer of the Equity Shares of our Company, the parties to the Shareholders' Agreement have entered into the SHA Amendment Agreement, pursuant to which the parties, to the extent applicable, have waived and/or suspended certain of their respective rights, obligations and restrictions that may be triggered under the Shareholders' Agreement as a result of our Company undertaking the Offer.

The Shareholders' Agreement, as amended by the SHA Amendment Agreement, shall be terminated in its entirety, upon receipt of listing and trading approval of the Equity Shares. Further, the SHA Amendment Agreement shall stand terminated upon the earlier of (a) the board of directors of the Company and the Selling Shareholders jointly decide not to undertake the Offer, or (b) where the Offer is abandoned, withdrawn or is unsuccessful due to any reason, or (c) 18 months from the date of filing of this Draft Red Herring Prospectus with SEBI in connection with the Offer.

In the event of termination of the SHA Amendment Agreement, the Shareholders' Agreement shall remain valid and subsisting without giving effect to any amendments pursuant to the SHA Amendment Agreement. In case of termination of the SHA Amendment Agreement, the provisions of the Shareholders' Agreement shall (i) be automatically re-instated to the position as it stood immediately prior to the execution of the SHA Amendment Agreement within 30 (thirty) working days; and (ii) shall be deemed to have been continuing during the period from the date of execution of the SHA Amendment Agreement and its date of termination, without any break or interruption whatsoever.

Share purchase agreement dated October 11, 2022, executed between DMI Finance Private Limited, Anshuman Madan Malur, Shakendra Bhandari and Yatharth Ratadiya (collectively the "Sellers"), and our Company, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Vankata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited, Plutus Capital (collectively the "Buyers")

Pursuant to the SPA, DMI Private Finance Limited Anshuman, Madan Malur, Shakendra Bhandari and Yatharth Ratadiya sold 21,743 equity shares of face value ₹10 each to our Company, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Vankata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital for a total consideration of ₹227.02 million.

Other Agreements

Debenture trust deed dated August 12, 2022, by and amongst, our Company, Rakesh Chopdar and Piramal Trustee Services Private Limited ("Debenture Trustee") as amended by the amendment agreement dated September 23, 2023 (collectively the "Piramal DTD")

Pursuant to the Piramal DTD, our Company allotted, 1,600 unlisted and secured compulsorily convertible debentures each having a face value of ₹1.00 million aggregating to an amount of ₹1,600.00 million (the "**PSCOF CCDs**"), to Piramal Structured Credit Opportunities Fund on a private placement basis. Our Company is required to pay an annual coupon of varying rates to Piramal Structured Credit Opportunities Fund (the debenture holder) during the subsistence of the debentures, as set out in the Piramal DTD. The PSCOF CCDs are secured by way of (i) creation and perfection of a first ranking exclusive charge on all movable fixed assets of our Company pursuant to unattested deed of hypothecation dated August 12, 2022 ; (ii) creation and perfection of a second ranking exclusive charge on all movable fixed assets of our Company, both present and future; (iii) creation and perfection of second ranking charge on immovable properties of our Company (excluding the plot Tuniki Bollaram, Siddipet District and Mangampet Village); (iv) a pledge of 51% of the Equity Shares issued by our Company, present and future, pursuant to the unattested securities pledge agreement dated August 12, 2022 ("**Share Pledge Agreement**"); (v) a non-disposal undertaking in relation to the balance Equity Shares held by our Promoter, present and future, pursuant to non-disposal undertaking dated August 12, 2022 ("**NDU**"); and (vi) an unconditional irrevocable personal guarantee of our Promoter.

In view of the Offer, the Parties have entered into the amendment agreement dated September 23, 2023 wherein, *inter alia*, (i) the parties have agreed to conditionally amend / waive certain previously agreed terms under the Piramal DTD; and (ii) the Debenture Trustee provided its consent to undertake certain actions. Pursuant to the Piramal DTD, the debenture holder shall convert PSCOF CCDs into a maximum of up to 6,476,310 Equity Shares prior to filing of the Red Herring Prospectus with the RoC. Pursuant to the Piramal DTD, the Debenture Trustee (i) released 16,968,840 Equity Shares from the NDU *vide* its e-mail dated September 24, 2023 in order for our Promoter to satisfy the promoter contribution requirements as required under the SEBI ICDR Regulations and to participate in the Offer for Sale; and (ii) agreed to release the Equity Shares which are subject to the pledge under the Share Pledge Agreement prior to filing of the updated draft red herring prospectus with SEBI ("**UDRHP**"). The Piramal DTD guarantees a minimum guarantee return ("**MGR**"). The conversion of the PSCOF CCDs shall be in accordance with the formula provided in the Piramal DTD and the number of resultant Equity Shares will be adjusted, if necessary, to ensure the MGR to the debenture holder. In an event the return to the debenture holder is greater than the MGR, the number of Equity Shares resulting out of the conversion of the PSCOD CCDs shall be adjusted downwards, in accordance with the provisions of the Piramal DTD.

Pursuant to the Piramal DTD, the Debenture Trustee (on behalf of the debenture holder) and our Promoter waived the tag along rights and drag along rights for the purpose of the Offer. The Debenture Trustee (on behalf of the debenture holder) also waived rights in relation to nomination of a director on our Board. The Debenture Trustee has further provided its consent to our Company to undertake certain actions including change in the authorised share capital or the capital structure of our Company, make or implement any action towards the reduction, return, purchase, repayment cancellation or buy back of any securities of the Company or offer, issue, sell or make any inter-se transfer of the Equity Shares for the purpose of the Offer.

The Piramal DTD and security documents executed in order to secure the PSCOF CCDs shall terminate on the "Debenture Final Settlement Date" which is the date on which the PSCOF CCDs will be converted into Equity Shares. Prior to the filing of the UDRHP, our Company, our Promoter and the debenture holder shall enter into a shareholders agreement which shall incorporate all the rights (other than those rights that are specific only to the PSCOF CCDs) as available to Debenture Trustee (for the benefit of the debenture holder) and as available to the debenture holder, each under the Piramal DTD and any additional right as may be mutually agreed between our Company, our Promoter and the debenture holder (the "**SHA**"). The SHA shall only be effective if the Offer is not consummated by our Company within 30 days from the date of conversion of the PSCOF CCDs or such other date as maybe be mutually agreed amongst our Company, our Promoter and Piramal Structured Credit Opportunities Fund, in writing.

Share purchase agreement dated September 16, 2023, by and among, our Company, Rakesh Chopdar and Rouland Chemicals Private Limited ("Rouland SPA")

Our Promoter has entered into Rouland SPA to purchase 50,350 equity shares of Rouland Chemicals Private Limited from our Company, which is equivalent to 99.90% of the paid up capital of Rouland Chemicals Private Limited, for an aggregate consideration of approximately ₹ 58.00 million.

Lease deed dated September 27, 2023, by and among our Company and Rouland Chemicals Private Limited ("Rouland Lease Deed")

Pursuant to the Rouland Lease Deed, Rouland Chemicals Private Limited has leased piece and parcel of non-agricultural land admeasuring 5,391.76 square yards comprised in Plot Number 90/D in Survey Number 299/2, situated at Phase – 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana State ("**Leased Land**") to our Company for an initial term of 10 years with effect from September 1, 2023, for a monthly lease rental of ₹0.12 million along with the applicable goods and services taxes applicable on such payment under the lease deed with a 5% annual escalation. Further, our Company has paid ₹4.96 million to Rouland Chemicals Private Limited as security deposit under the lease deed which is required to be refunded on termination or expiry of the lease deeds. Rouland Chemicals Private Limited holds the free hold title to the Leased Land on which one of our current manufacturing facilities is situated. For further details see, "*Risk Factors – We are highly dependent on our Promoter and our management team, senior management and key managerial personnel and the loss of any key team member may adversely affect our business performance*.", "*Our Management – Interests of Directors", "Our Management – Interest of Key Managerial Personnel and Senior Management Personnel*" and "*History and Other Corporate Matters – Other Agreements*" on pages *34, 207, 216 and 200, respectively*. Our Company shall continue to retain uninterrupted possession and occupation of the Leased Land, including any structures and improvements thereon made by our Company. Our Company shall not lease or otherwise grant possession of the Leased Land or any portion thereof to any other party during the term of the agreement. Further, pursuant to the terms of the Rouland Lease Deed, all previous arrangements, agreements, understandings and commitments, whether written or oral, pertaining to the lease of the Leased Land shall be deemed to have been terminated. Our Company has the right to terminate the lease deed at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana.

Share purchase agreement dated September 16, 2023, by and among, our Company, Rakesh Chopdar and Swastik Coaters Private Limited ("Swastik SPA")

Our Promoter has entered into a share purchase agreement dated September 16, 2023 to purchase 13,150 equity shares of Swastik Coaters Private Limited which is equivalent to 99.62% of the paid-up capital of Swastik Coaters Private Limited. for an aggregate consideration of approximately ₹ 60.86 million.

Lease deed dated September 27, 2023, by and among our Company and Swastik Coaters Private Limited ("Swastik Lease Deed")

Pursuant to Swastik Lease Deed, Swastik Coaters Private Limited has leased piece and parcel of non-agricultural land admeasuring 5178.8 square yards comprised in Number Plot Number 90/C in Survey Numbers 298/A and 299/2, situated at Phase -I, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal – Malkajgiri District, Telangana State ("**Leased Land**") to our Company for a period of 10 years with effect from September 1, 2023, for a monthly lease rental of ₹0.12 million along with the applicable goods and services taxes applicable on such payment under the lease deed with a 5% annual escalation. Further, our Company has paid ₹4.96 million to Swastik Coaters Private Limited as security deposit under the lease deed which is required to be refunded on termination or expiry of the lease deed. Swastik Coaters Private Limited holds the free hold title to the Leased Land on which one of our current manufacturing facilities is situated. For further details see, "*Risk Factors – We are highly dependent on our Promoter and our management team, senior management and key managerial personnel and the loss of any key team member may adversely affect our business performance*.", "*Our Management – Interest of Directors", "Our Management – Interest of Key Managerial Personnel and Senior Management Personnel*" and "*History and Other Corporate Matters – Other Agreements*" on *pages 34, 207, 210 and 200, respectively*. Our Company shall continue to retain uninterrupted possession and occupation of the Leased Land, including any structures and improvements thereon made by our Company. Our Company shall not lease or otherwise grant possession of the Leased Land or any portion thereof to any other party during the term of the agreement. Further, pursuant to the terms of the Swastik Lease Deed, all previous arrangements, agreements, understandings and commitments, whether written or oral, pertaining to the lease of the Leased Land shall be deemed to have been terminated. Our Company has the right to terminate the lease deed at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana.

Details of guarantees given to third parties by our Promoter participating in the Offer for Sale

Except as disclosed below, our Promoter (also the Selling Shareholder) has not given any guarantee to any third party, that are outstanding on the date of this Draft Red Herring Prospectus.

S. No.	Name of the Promoter	Lender, Debenture Trustee	Type of facility	Guaranteed amount (in ₹ million)	Consideration	Reason
1.	Rakesh Chopdar	Union Bank of India, IndusInd Bank Limited and ICICI Bank Limited	Working capital loan	815.00	Nil	Personal guarantee in respect of the working capital loan availed by our Company
2.	Rakesh Chopdar	Union Bank of India, IndusInd Bank Limited and ICICI Bank Limited	Term loan	776.50	Nil	Personal guarantee in respect of the term loan availed by our Company
3.	Rakesh Chopdar	Piramal Trusteeship Services Private Limited	PSCOF CCDs	1,600.00	Nil	Personal guarantee in respect of the issue of PSCOF CCDs by our Company
4.	Rakesh Chopdar	Tata Capital Financial Services Limited	Term loan	181.20	Nil	Personal guarantee in respect of the term loan availed by our Company

These guarantees are valid for a period ranging up to 60 months. For further details in relation to guarantees provided by our Promoter, see "*Our Promoter and Promoter Group*" on page 218. In the event of any default by the Company towards payment of the outstanding amount under the aforementioned facilities, Rakesh Chopdar, the Promoter Selling Shareholder shall be liable for the payment of the outstanding amount, including the interest amount, expenses incurred by the lender and any loss suffered by reason of such default. For further details in relation to outstanding amount as of June 30, 2023, see "*Restated Consolidated Financial Information – Annexure VII Notes to Restated Consolidated Financial Information – Note 13*" on page 260.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoter, or any other employee

Our Key Managerial Personnel, Senior Management Personnel, Directors, Promoter, or any other employee have not entered into any agreement with any shareholder or any third party with regard to compensation or profit-sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

In terms of the Articles of Association, the Board of our Company can have a minimum of three and a maximum of 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of three Executive Directors and three Independent Directors, of which one is a woman Director.

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

S. No.	Name, DIN, designation, date of birth, current term, period of directorship, address, occupation and age	Other Directorships
1.	***Rakesh Chopdar*** **Designation:** Chairman and CEO **Current term:** Three years with effect from September 13, 2023 **Period of directorship:** Director since August 14, 2003 **Address:** 5A/800, Benecia, Lodha Bellezza, Phase 4, Kukatpally, Tirumalagiri, Hyderabad 500 072, Telangana, India. **Occupation:** Business **Date of birth:** November 9, 1978 **DIN:** 01795599 **Age:** 44 years	**Indian Companies:** • Forgen Power Parts Private Limited; • Ohgo Engineering Private Limited; • Radhe Creations Private Limited; • Rouland Chemicals Private Limited; and • Swastik Coaters Private Limited. **Foreign Companies:** Nil
2.	***Jyoti Chopdar*** **Designation:** Whole-Time Director **Current term:** Three years with effect from September 13, 2023, liable to retire by rotation **Period of directorship:** Director since July 1, 2014 **Address:** 5A/800, Benecia, Lodha Bellezza, Phase 4, Kukatpally, Tirumalagiri, Hyderabad 500 072, Telangana, India. **Occupation:** Business **Date of birth:** January 21, 1977 **DIN:** 03132157 **Age:** 46 years	**Indian Companies:** • Forgen Power Parts Private Limited; • Ohgo Engineering Private Limited; • Rouland Chemicals Private Limited; and • Swastik Coaters Private Limited. **Foreign Companies:** Nil
3.	***Vishnu Pramodkumar Malpani*** **Designation:** Whole-Time Director **Current term:** Three years with effect from September 13, 2023, liable to retire by rotation **Period of directorship:** Director since September 13, 2023 **Address:** Plot No. 54A Meghdood Housing Society near Adarsh School Bharat Nagar Shahapur Belgaum 590 003, Karnataka, India. **Occupation:** Service **Date of birth:** February 25, 1988 **DIN:** 10307319 **Age:** 35 years	**Indian Companies:** Nil **Foreign Companies:** Nil

S. No.	Name, DIN, designation, date of birth, current term, period of directorship, address, occupation and age	Other Directorships
4.	***Michael Joseph Booth*** **Designation:** Independent Director **Current term:** Five years with effect from September 12, 2023 **Period of directorship:** Director since September 12, 2023 **Address:** 29 Kilwinning Road, Stevenston, KA20 3AT, Scotland **Occupation:** Business **Date of birth:** February 13, 1951 **DIN:** 10309295 **Age:** 72 years	**Indian Companies:** Nil **Foreign Companies:** Nil
5.	***Subba Rao Ambati*** **Designation:** Independent Director **Current term:** Five years with effect from September 24, 2023 **Period of directorship:** Director since September 24, 2023 **Address:** 7-1-644/26 F No.-202 Glk Emerald, Nr Community Hal Sunder Nagar, S.R. Nagar, Hyderabad 500 038, Telangana, India **Occupation:** Business **Date of birth:** June 1, 1953 **DIN:** 01722940 **Age:** 70 years	**Indian Companies:** Eubios Therapeutica (India) Private Limited **Foreign Companies:** Nil
6.	***Madhusree Vemuru*** **Designation:** Independent Director **Current term:** Five years with effect from September 12, 2023 **Period of directorship:** Director since September 12, 2023 **Address:** 16-11-405, SBI Officers Colony, Moosarambagh, Hyderabad 500 036, Telangana, India. **Occupation:** Service **Date of birth:** September 30, 1966 **DIN:** 10304579 **Age:** 56	**Indian Companies:** Nil **Foreign Companies:** Nil

Brief Biographies of our Directors

Rakesh Chopdar is the Chairman and CEO of our Company. He has completed his education until the 10th standard from Trinity Public School, Hyderabad. He has been involved with our Company since 2003 and has more than two decades of experience in engineering and manufacturing activities. He has won the third prize at the "National Award for Outstanding Entrepreneurship" under "Small Enterprises (Manufacturing)" from the Government of India, MSME in 2012, "Young Asian Entrepreneur 2019-20" by CNBC – TV18 in 2020 and the National MSME Award-2022 first prize in manufacturing export medium enterprise by the Government of India, Ministry of Micro, Small and Medium Enterprises.

Jyoti Chopdar is the Whole-Time Director of our Company. She has passed the examination for bachelor's degree in arts from the Kurukshetra University. She has been associated with our Company for over eight years and is actively involved in our Company's general administrative activities.

Vishnu Pramodkumar Malpani is the Whole-Time Director of our Company. He holds a bachelor's degree in technology from the Indian Institute of Technology, Guwahati. He has also completed the executive education programme on finance for non-finance managers from the Indian School of Business. He has previously worked with Wipro Technologies (a division of Wipro Limited) as project engineer, Prashaste Education and Management Consultancy Private Limited as lead consultant, Jubilant MotorWorks Private Limited as senior manager – business analytics, Raam Autobahn India Private Limited (Mercedes Benz Silver Star) as chief executive officer, BVS Nature Fresh Products Private Limited as chief operating officer and Visaka Industries Limited as general manager (strategy and business re-engineering). He has been associated with our Company for over three years.

Michael Joseph Booth is the Independent Director of our Company. He has obtained a higher national certificate in mechanical engineering and a higher national diploma in mechanical engineering from Kilmarnock Technical College. He has previously worked with GE Caledonian Limited as repair team leader and as lead middle east sales manager in Turbine Services Limited (owned by Chromalloy).

Subba Rao Ambati is the Independent Director of our Company. He holds a bachelor's degree of Pharmacy (Honours) from the Birla Institute of Technology and Science and diploma in business management from the Indian Merchants' Chamber, Bombay. He has previously worked with Mars Therapeutics & Chemicals Limited as general manager – marketing, Jay Ambe Molecules Pvt. Ltd. as a consultant pharma operations and Vanguard Therapeutics Private Limited as manager – marketing services.

Madhusree Vemuru is the Independent Director of our Company. She holds a bachelor's degree in science from Rani Durgavati Vishwavidyalaya, Jabalpur. She has been admitted to the Bar Council of the State of Andhra Pradesh. She has previously worked with Andhra Paper Limited as general manager – corporate social responsibility, Hyderabad, Mahindra Namaste Pvt. Ltd. as chief placement officer and Dr. Reddy's Foundation as head, business development.

Relationship between our Directors

Except for Rakesh Chopdar and Jyoti Chopdar, who are husband and wife, none of our Directors are related to each other.

Confirmations

None of our Directors are or have been directors of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors are or have been directors of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our other Directors were appointed on our Board. However, pursuant to the debenture trust deed dated August 12, 2022, Piramal Structured Credit Opportunities Fund has a right to appoint a nominee director and a board observer on our Board. Further, pursuant to the Shareholders' Agreement, our Shareholders also have a right to appoint a board observer on our Board.

Further, our Directors have neither been identified as Wilful Defaulters or Fraudulent Borrowers, as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Directors

Rakesh Chopdar

Pursuant to the resolution passed by the Board and Shareholders on September 13, 2023 and September 15, 2023, respectively, Rakesh Chopdar was re-designated as Chairman and CEO of our Company and the tenure of his appointment was renewed to a period of three years with effect from September 13, 2023. Further, the terms of remuneration of Rakesh Chopdar were revised in accordance with the Sections 196 and 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as specified below.

Remuneration	
Particulars	**Details**
Salary	₹48.00 million per annum which is inclusive of allowances/benefits/perquisites and exclusive of any form of reimbursement of expenses incurred on behalf of our Company.

Jyoti Chopdar

Pursuant to the resolution passed by the Board and Shareholders on September 13, 2023 and September 15, 2023, respectively, Jyoti Chopdar was re-designated as a Whole-Time Director of our Company and the tenure of her appointment was renewed to a period of three years beginning from September 13, 2023. Further, the terms of remuneration of Jyoti Chopdar were revised in accordance with the Sections 196 and 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as specified below:

Remuneration	
Particulars	**Details**
Salary	₹12.00 million per annum which is inclusive of allowances/benefits/perquisites and exclusive of any form of reimbursement of expenses incurred on behalf of our Company.

Vishnu Pramodkumar Malpani

Pursuant to the resolution passed by the Board and Shareholders on September 13, 2023 and September 15, 2023, respectively, Vishnu Pramodkumar Malpani was appointed as a Whole-Time Director of our Company and the tenure of his appointment was a period of three years beginning from September 13, 2023. Further, the terms of remuneration of Vishnu Pramodkumar Malpani are in accordance with the Sections 196 and 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as specified below.

Remuneration	
Particulars	**Details**
Salary	₹7.42 million per annum which is inclusive of allowances/benefits/perquisites and exclusive of any form of reimbursement of expenses incurred on behalf of our Company.

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in the Financial Year 2023 are set forth below.

i. *Remuneration to our Executive Directors*

Details of the remuneration paid to our Executive Directors in the Financial Year 2023 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Rakesh Chopdar*	45.90
2.	Jyoti Chopdar	12.00
3.	Vishnu Pramodkumar Malpani**	4.22

** Remuneration includes salary and perquisites*
*** Prior to his appointment as a Whole-time Director in our Company, Vishnu Pramodkumar Malpani was the head – corporate strategy of our Company. The remuneration paid to him by our Company is pursuant to his employment with our Company.*

ii. *Remuneration to our Independent Directors*

Pursuant to the resolution passed by our Board on September 14, 2023, each Independent Director is entitled to receive remuneration of ₹30,000 as sitting fees for attending each meeting of the Board and ₹12,000 for attending each meeting of the committees of the Board, within the limits prescribed under the Companies Act, and the rules made thereunder.

No remuneration has been paid to the Independent Directors in the Financial Year 2023.

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2023.

None of our Directors were paid or were entitled to receive any remuneration including any contingent or deferred compensation accrued, sitting fees or commission from our Erstwhile Subsidiaries of our Company for Fiscal 2023.

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Bonus or profit-sharing plan of the Directors

Our Company does not have any bonus or profit-sharing plan for our Directors. For details of the performance bonus payable to them as a part of their respective remuneration, see " – *Terms of appointment of our Executive Directors*" on page 205.

Shareholding of our Directors in our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of the Director	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis*
Rakesh Chopdar	42,241,800	75.39
Vishnu Pramodkumar Malpani	173,430	0.31
Jyoti Chopdar	144,000	0.26

** Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "– Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

Our Articles of Association do not require our Directors to hold any qualification shares.

Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof and any commission payable to them. For further details, see " – *Terms of Appointment of our Executive Directors*" and " – *Payment or benefit to Directors of our Company*", on pages 205 and 206, respectively.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends in respect of such Equity Shares), held by them and their relatives in our Company or held by the entities in which they are associated as directors, promoters, proprietors, members, trustees or partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For details, see " – *Shareholding of Directors in our Company*" on page 207.

Further, relatives of certain of our Directors are also shareholders and / or employees of our Company and may be deemed to be interested to the extent of the payment of remuneration made by our Company. For the payments that are made by our Company to such relatives of the Directors, see "*Restated Financial Information*" on page 224.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, in cash or shares or otherwise, by any person, either to induce them to become, or to qualify them as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Except for the details as stated in the *"Our Promoter and Promoter Group – Interests of our Promoter and Common Pursuits"* on page 218 and *"Risk Factors – Some of our Directors, our Promoter, Senior Management and Key Managerial Personnel have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company"* on page 51, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by the Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except for Rakesh Chopdar, who is the Promoter of our Company, none of our Directors have any interests in the promotion or formation of our Company. For details, see *"Our Promoter and Promoter Group – Interests of our Promoter and Common Pursuits"* on page 218.

Except for Jyoti Chopdar, from whom our Company has availed loans for an amount of ₹ 2.75 million, no loans have been availed or extended by any of our Directors from, or to, our Company. For details, see *"Summary of the Offer Document – Summary of Related Party Transactions"* on page 18.

Changes in our Board in the last three years

Details of the changes in our Board in the three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of change	Reason for change in board
Subba Rao Ambati	September 24, 2023	Appointment
Jagadeesh Ambati	September 24, 2023	Resignation due to personal reasons
Vishnu Pramodkumar Malpani	September 13, 2023	Appointment
Madhusree Vemuru	September 12, 2023	Appointment
Jagadeesh Ambati	September 12, 2023	Appointment
Michael Joseph Booth	September 12, 2023	Appointment
Gurudutta Mishra	August 21, 2023	Resignation pursuant to withdrawal notice dated August 23, 2023 received by the Company from Piramal Trusteeship Service Private Limited

Name	Date of change	Reason for change in board
Hemant Luthra	August 9, 2023	Resignation due to personal reasons
Hemant Luthra	June 9, 2023	Appointment
Anshuman Malur Madan	September 27, 2022	Resignation pursuant to completion of conversion of DMI CCDs and redemption of all OCDs held by DMI Finance Private Limited.
Gurudutta Mishra	October 3, 2022	Appointment
Anshuman Malur Madan	April 13, 2022	Appointment

Note: This does not include regularisations or change in designations of the directors.

Borrowing Powers of Board

Pursuant to the resolutions of our Board and Shareholders dated September 14, 2023 and September 15, 2023 respectively, our Board is empowered to borrow up to a sum of ₹10,000 million in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the SEBI Listing Regulations, the Companies Act and other applicable regulations, in respect of corporate governance in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors, including, three Whole-Time Directors, and three Independent Directors. In compliance with Section 152 of the Companies Act, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act.

Committees of the Board

Our Company has constituted the following committees of our Board in terms of the SEBI Listing Regulations and the Companies Act:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders’ Relationship Committee;

(d) Risk Management Committee; and

(e) Corporate Social Responsibility Committee.

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

Name and designation	Composition of Committee
Madhusree Vemuru (*Independent Director*)	Chairperson
Michael Joseph Booth (*Independent Director*)	Member
Vishnu Pramodkumar Malpani (*Whole-Time Director*)	Member

The Audit Committee was re-constituted pursuant to resolution passed by our Board on September 13, 2023. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on September 13, 2023 are set forth below:

(a) oversight of Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

1. 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;
2. changes, if any, in accounting policies and practices and reasons for the same;
3. major accounting entries involving estimates based on the exercise of judgment by management;
4. significant adjustments made in the financial statements arising out of audit findings;
5. compliance with listing and other legal requirements relating to financial statements;
6. disclosure of any related party transactions; and
7. modified opinion(s) in the draft audit report.

(e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(g) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of the Company, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) to review the functioning of the whistle blower mechanism;

(t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(u) identification of list of key performance indicators and related disclosures in accordance with the SEBI ICDR Regulations for the purpose of the Company's proposed initial public offering;

(v) carrying out any other function as is mentioned in the terms of reference of the audit committee;

(w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing; and

(x) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

(y) carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and

(z) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- Financial statements, in particular, the investments made by any unlisted subsidiary; and
- Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Name and designation	Composition of Committee
Michael Joseph Booth (*Independent Director*)	Chairman
Madhusree Vemuru (*Independent Director*)	Member
Subba Rao Ambati (*Independent Director*)	Member

The Nomination and Remuneration Committee was first constituted pursuant to resolution passed by our Board on September 13, 2023 and was last re-constituted pursuant to resolution passed by our Board on September 24, 2023. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on September 13, 2023 are set forth below:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel, senior management and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    i. use the services of an external agencies, if required;
    ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    iii. consider the time commitments of the candidates.

4. Devising a policy on diversity of Board;

5. 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 of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board;

6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Recommending to the Board, all remuneration, in whatever form, payable to senior management;

8. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the uniform listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;

9. Framing suitable policies and systems to ensure that there is no violation, by an employee or any applicable laws in India or overseas; and

10. To do all acts, deeds and things as may be empowered or allowed under the Companies Act, as amended from time to time, and rules made thereunder.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Name and designation	Composition of Committee
Subba Rao Ambati (*Independent Director*)	Chairman
Rakesh Chopdar (*Chairman and CEO*)	Member
Vishnu Pramodkumar Malpani (*Whole-Time Director*)	Member

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on September 13, 2023 and was last re-constituted pursuant to resolution passed by our Board on September 24, 2023. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on September 13, 2023, are set forth below:

1. 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.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. Review 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; and

5. Carrying out such other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law as and when amended from time to time.

Risk Management Committee

The members of the risk management committee are:

Name and designation	Composition of Committee
Madhusree Vemuru (*Independent Director*)	Chairman
Michael Joseph Booth (*Independent Director*)	Member
Vishnu Pramodkumar Malpani (*Whole-time Director*)	Member

The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held September 22, 2023. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on September 22, 2023, are set forth below:

1. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

   b. Measures for risk mitigation including systems and processes for internal control of identified risks; and

   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.

7. any other similar or other functions as may be laid down by the Board from time to time or as may be required under applicable law, as and when amended from time to time, including the the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Social Responsibility Committee

The members of the corporate social responsibility committee are:

Name and designation	Composition of Committee
Rakesh Chopdar (*Chairman and CEO*)	Chairman
Vishnu Pramodkumar Malpani (*Whole-Time Director*)	Member
Michael Joseph Booth (*Independent Director*)	Member

The corporate social responsibility committee was last reconstituted pursuant to resolution passed by our Board on September 13, 2023. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on September 13, 2023, are set forth below:

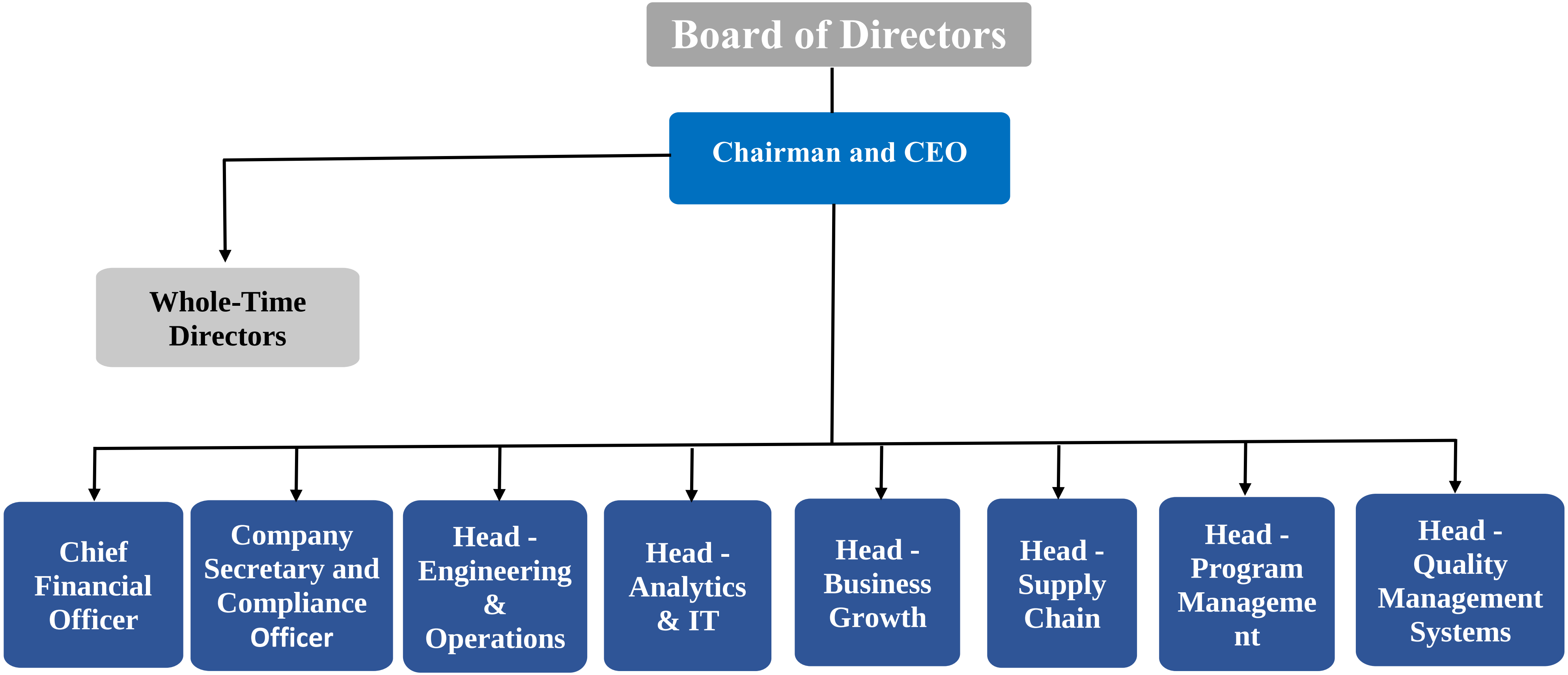
1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;

2. recommend the amount of expenditure to be incurred on the activities referred to in clause (1);

3. Monitor the corporate social responsibility policy of the Company and its implementation from time to time ; and

4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and / or as may be required under applicable law, as and when amended from time to time.

Management Organisation Structure



Key Managerial Personnel

The details of our Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are as follows:

Rakesh Chopdar is the Chairman and CEO of our Company. For details, see "*– Brief Biographies of our Directors*" on page 204. For details of compensation paid to him during Financial Year 2023, see "*– Payment or benefit to Directors of our Company – Remuneration to our Executive Directors*" on page 206.

Jyoti Chopdar is the Whole-Time Director of our Company. For details, see "*– Brief Biographies of our Directors*" on page 204. For details of compensation paid to her during Financial Year 2023, see "*– Payment or benefit to Directors of our Company – Remuneration to our Executive Directors*" on page 206.

Vishnu Pramodkumar Malpani is the Whole-Time Director of our Company. For details, see "*– Brief Biographies of our Directors*" on page 204. For details of compensation paid to him during Financial Year 2023, see "*– Payment or benefit to Directors of our Company – Remuneration to our Executive Directors*" on page 206.

Ronak Jajoo is the Chief Financial Officer* of our Company. He has passed the examination for his bachelor's degree in business administration from Jai Narain Vyas University, Jodhpur. He has also passed the examination for a post graduate degree in business management from N. L. Dalmia Institute of Management Studies and Research, Mumbai. He has previously worked with Pransa Financial Consultants Private Limited. as vice president. He joined our Company on April 15, 2021. He received a gross remuneration of ₹ 2.15 million in Fiscal 2023.

**As on the date of this Draft Red Herring Prospectus, Ronak Jajoo's position in our Company is disclosed incorrectly on the MCA portal due to a technical issue with the portal. Our Company has since approached the MCA to rectify this issue.*

Ful Kumar Gautam is the Company Secretary and Compliance Officer of our Company. He has passed the examination in relation to bachelor's degree in commerce (insurance) from Loyola Academy Degree & P.G. College and is an associate member of the Institute of Company Secretaries of India. He is also an associate member of the Insurance Institute of India. He has previously worked with Karvy Computershare Private Limited as apprenticeship trainee, Nihar Info Global Limited as CS – management trainee, with BPS Security Services Private Limited as assistant company secretary and Saraiwwalaa Agrr Refineries Limited as company secretary. He joined our Company on March 6, 2018. He received a gross remuneration of ₹2.22 million in Fiscal 2023.

Senior Management Personnel

The details of our Senior Management Personnel, as on the date of this Draft Red Herring Prospectus are as follows:

Ashok Gentyala is the Head – Engineering & Operations of our Company. He holds a diploma in mechanical engineering from Government Polytechnic, Hyderabad. He has previously worked with Rohini Auto Electricals Private Limited as a CNC milling operator cum programmer and with SEC Industrice Private Limited as CNC milling & CNC turning programmer. He joined our Company on September 1, 2008. He received a gross remuneration of ₹ 2.91 million in Fiscal 2023.

Balaji PR is the Head – Business Growth of our Company. He holds a bachelor's degree in business administration from University of Madras and a post graduate certificate in engineering business management from University of Warwick. He has previously worked with Miranda Tools, Helix Tools as production in charge, Forward Manufacturing Co. Pvt. Ltd. as senior manager – production and with Godrej & Boyce Manufacturing Co. Pvt. Limited as associate chief manager in structures. He joined our Company on November 1, 2018. He received a gross remuneration of ₹ 4.45 million in Fiscal 2023.

Dinesh J Shetty is the Head – Supply Chain of our Company. He holds a bachelor's degree in technology (mechanical engineering) from Institute of Advanced Studies in Education University and a diploma in mechanical engineering from NRAM Polytechnic Nitte. He has previously worked with Fouress Engineering (India) Limited as quality control inspector, Terex India Private Limited as supplier quality executive and in the procurement function with Toshiba JSW Turbine & Generator Private Limited. He joined our Company on June 1, 2019. He received a gross remuneration of ₹ 5.20 million in Fiscal 2023.

Atin Agarwal is the Head – Analytics & IT of our Company. He holds a bachelor's degree in commerce from Osmania University and a master's degree in science from Fairleigh Dickinson University. He has previously worked with Sanjeevani Pharma Capsules as a partner. He joined our Company on February 1, 2016. He received a gross remuneration of ₹ 4.71 million in Fiscal 2023.

Matthew Richard Childs is the Head – Program Management of our Company. He holds a bachelor's degree in engineering from Nottingham Trent University. He has previously worked with Alstom Power as principal project manager and with Demag Delaval Industrial Turbomachinery Limited (Siemens) as sales manager. He joined our Company on September 1, 2023. He did not receive any remuneration in Fiscal 2023.

Silpa Kanaka Bellamkonda is the Head – Quality Management Systems of our Company. She has been issued a provision certificate for bachelor's in computer applications by Osmania University and has passed the examination in relation to post graduate degree in information systems from Osmania University. She also holds a master's degree in science (computer application) from University of Plymouth and a master's degree in business administration from National Institute of Business Management. She joined our Company on May 11, 2010. She received a gross remuneration of ₹ 2.54 million in Fiscal 2023.

Relationship amongst Key Managerial Personnel and Senior Management Personnel

Except as disclosed in " – *Relationship between our Directors*", none of the Key Managerial Personnel or Senior Management Personnel are related to each other or to any of the Directors of the Company.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel or our Senior Management Personnel have been appointed pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Interest of Key Managerial Personnel and Senior Management Personnel

None of the Key Managerial Personnel or Senior Management Personnel of our Company have any interests in our Company other than as disclosed in *"- Interest of Directors*" and to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except for the details as stated in the *"Our Promoter and Promoter Group – Interests of our Promoter and Common Pursuits"* on page 218 and *"Risk Factors – Some of our Directors, our Promoter, Senior Management and Key Managerial Personnel have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company"* on page 51, none of our Key Managerial Personnel or Senior Management Personnel have any interest in any property acquired or proposed to be acquired of our Company or by the Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No loans have been availed by our Key Management Personnel or Senior Management Personnel from our Company as on the date of this Draft Red Herring Prospectus.

Contingent or deferred compensation

There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel or Senior Management Personnel, even if the compensation is payable at a later date.

Bonus or profit-sharing plans for our Key Managerial Personnel or Senior Management Personnel

Other than the annual variable payments which our Key Managerial Personnel or Senior Management Personnel are entitled to, our Key Managerial Personnel or Senior Management Personnel are not parties to any bonus or profit-sharing plan of our Company.

Shareholding of our Key Managerial Personnel or Senior Management Personnel in our Company

Other than as disclosed below and as disclosed in *"- Shareholding of Directors in our Company",* none of our Key Managerial Personnel or Senior Management Personnel hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Name of the Key Managerial Personnel / Senior Management Personnel	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis
Ashok Gentyala	297,300	0.53
Balaji PR	173,430	0.31
Ronak Jajoo	148,650	0.27
Dinesh J Shetty	148,650	0.27
Atin Agarwal	148,650	0.27
Silpa Kanaka Bellamkonda	123,870	0.22

Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years

Except as stated below, there have been no changes in our Key Managerial Personnel and Senior Management Personnel in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name	Date of change	Reason for change
Ronak Jajoo	September 14, 2023	Appointment as Chief Financial Officer

Note: This does not include changes in designations.

The attrition rate of our Key Managerial Personnel and Senior Management Personnel is not high as compared to the industry. For details, see *"Risk Factors – We are highly dependent on our Promoter and our management team, senior management and key managerial personnel and the loss of any key team member may adversely affect our business performance."* on page 34.

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, Senior Management Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as disclosed in " – *Interests of Directors*" on page 207 and stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefits in kind has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers including the Key Managerial Personnel and Senior Management Personnel except remuneration and re-imbursements for services rendered as Directors, officers or employees of our Company.

Employee stock option schemes

Our Company does not have any employees stock option scheme as on date of this Draft Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Rakesh Chopdar.

As on the date of this Draft Red Herring Prospectus, our Promoter, in aggregate, holds 42,241,800 Equity Shares representing 75.39% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis*. For further details, see "*Capital Structure – History of the Equity Share capital held by our Promoter – Shareholding of our Promoter and Promoter Group*" on page 84.

* *Assuming full conversion of 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "Capital Structure – Notes to the Capital Structure – Compulsorily Convertible Debentures" on page 78.*

Details of our Promoter

Rakesh Chopdar, aged 44 years, is our Promoter. He is also the Chairman and CEO of our Company. For a complete profile of Rakesh Chopdar, i.e., his date of birth, personal address, educational qualifications, business experience, positions/ posts held in the past and other directorships, other ventures, special achievements, business and other activities, see "*Our Management*" beginning on page 203.

His PAN is ACVPC8567D.

Our Company confirms that the PAN, bank account number, passport number and Aadhaar card number of our Promoter will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus. Rakesh Chopdar does not hold a valid driving license as on the date of filing this Draft Red Herring Prospectus.

Interests of our Promoter and Common Pursuits

Our Promoter is interested in our Company to the extent that (i) he has promoted our Company; (ii) to the extent of his shareholding and shareholding of the members of the Promoter Group, in our Company; (iii) to the extent of the personal guarantees provided by our Promoter for loans taken on behalf of our Company; and (iv) the dividend payable, if any, and any other distributions in respect of the Equity Shares held by him in our Company, from time to time. For details of the shareholding of our Promoter in our Company, see "*Capital Structure*", beginning on page 76.

Our Promoter, who is also a Director, may be deemed to be interested to the extent of his remuneration/sitting fees and reimbursement of expenses, payable to him, if any in his capacity as a Director. For further details, see "*Our Management – Payment or benefit to Directors of our Company – Remuneration to our Executive Directors*" and "*Our Management – Interests of Directors*" on pages 206 and 207, respectively.

No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as members 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 Promoter or by such firms or companies in connection with the promotion or formation of our Company.

Except in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" and see "*Restated Financial Information – Annexure VII – Notes to Restated INDAS Consolidated Financial Information – Note 32*" on pages 18 and 254, respectively, no amount or benefit has been paid or given to our Promoter or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or any of the members of the Promoter Group.

Our Promoter has no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Further, except as disclosed below, our Promoter has no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest in property, land, construction of building or supply of machinery

Our Promoter has entered into two share purchase agreements each dated September 16, 2023 to purchase 13,150 equity shares and 50,350 equity shares of our Erstwhile Subsidiaries i.e., Swastik Coaters Private Limited and Rouland Chemicals Private Limited, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities, respectively. Swastik Coaters Private Limited and Rouland Chemicals Private Limited hold the free hold title to the land situated at Plot Number 90/C in Survey Numbers 298/A and 299/2, all situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India and Plot Number 90/D in Survey Number 299/2, situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India on which one of our current manufacturing facilities are situated (collectively the "**Subject Land**"). Swastik Coaters Private

Limited and Rouland Chemicals Private Limited have pursuant to lease deeds dated September 27, 2023, leased their respective portions of the Subject Land to our Company for a period of 10 years with effect from September 1, 2023 for a monthly lease rental of ₹0.12 million under each of the lease deeds, along with the applicable goods and services taxes applicable on such payment under both lease deeds with a 5% annual escalation. Further, our Company has paid ₹4.96 million each to Rouland Chemicals Private Limited and Swastik Coaters Private Limited, respectively, as security deposit under the lease deeds which is required to be refunded on termination or expiry of the lease deeds. Our Company has the right to terminate each of the aforesaid lease deeds at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana. For further details see, "*Risk Factors – We are highly dependent on our Promoter and our management team, senior management and key managerial personnel and the loss of any key team member may adversely affect our business performance.*", "*Our Management – Interest of Directors, "Our Management – Interest of Key Managerial Personnel and Senior Management Personnel*" and "*History and Other Corporate Matters – Other Agreements*" on page 34, 207, 216 and 200, respectively.

Our Promoter has entered into a sale deed agreement dated September 27, 2023 with our Company to purchase land located at Plot No 66, in Survey No. 735(P), admeasuring 843.52 square meters situated at Phase – II, Kukatpally village and mandal, Medchal - Malkajgiri District, Hyderabad, Telangana ("**Medchal - Malkajgiri Land**"). The Medchal - Malkajgiri Land is free from all encumbrances, charges, claims, mortgages, and litigations. Our Promoter has paid a consideration amount of ₹42.02 million to our Company for the Medchal - Malkajgiri Land.

Other ventures of our Promoter

Other than as disclosed in this section under *"– Entities forming part of the Promoter Group"* on page 220 and in "*Our Management"* beginning on page 203, our Promoter is not involved in any other ventures.

Material guarantees given by our Promoter to third parties with respect to Equity Shares of our Company

Our Promoter has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated with any company or firm in the last three years as on the date of this Draft Red Herring Prospectus:

Confirmations

Our Promoter has not been declared a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the SEBI ICDR Regulations. Our Promoter has not been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoter and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoter is not a promoter or a director of any other company which is prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Change in the control of our Company

There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons who are part of our Promoter Group

The following table sets forth details of the natural persons who are part of our Promoter Group (due to their relationship with our Promoter):

Sr. No.	Name of Promoter	Member of the Promoter Group	Relationship with Promoter
1.	Rakesh Chopdar	Jyoti Chopdar	Spouse
2.		Deepak Chopdar	Brother
3.		Anita Walia	Sister
4.		Sunita Walia	Sister

Sr. No.	Name of Promoter	Member of the Promoter Group	Relationship with Promoter
5.		Babita Shripalsingh Sulhyan	Sister
6.		Kartik Chopdar	Son
7.		Satwik Chopdar	Son
8.		Shiv Kumar Walia	Spouse's father
9.		Saroj Walia	Spouse's mother
10.		Amit Walia	Spouse's brother
11.		Ella Walia	Spouse's sister

Entities forming part of our Promoter Group

1. Agrima Logipark;
2. Atlas Fasteners;
3. Atlas Fasteners Engineering Private Limited;
4. Azad F&B Private Limited;
5. Azad Synergies Private Limited;
6. Forgen Power Parts Private Limited;
7. Ohgo Engineering Private Limited;
8. Radhe Creations Private Limited;
9. Rouland Chemicals Private Limited; and
10. Swastik Coaters Private Limited.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed in this Draft Red Herring Prospectus, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

In addition, pursuant to a resolution dated September 22, 2023, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies of our Company shall include (i) the companies with which there were related party transactions, as per Ind AS 24 and as disclosed in the Restated Financial Information (“**Relevant Period**”), (ii) any other companies considered material by the Board of Directors of our Company; and (iii) companies shall be considered material, that are a part of the Promoter Group, with which there were transactions in the most recent financial year, including the stub period, i.e. until June 30, 2023, as disclosed in the Restated Financial Information included in the Offer Documents, exceeds individually or in the aggregate, 10% of the total restated revenue of our Company for the most recent financial year for which Restated Financial Information are included in the Offer Documents, shall also be classified as Group Companies. In addition, pursuant to the materiality policy, for the purposes of (ii) above, a company (other than companies categorized under (i) above) has been considered “material” and has been disclosed as a ‘Group Companies’ in this Draft Red Herring Prospectus if such company was categorized as a subsidiary in the Restated Financial Information and has ceased to be a subsidiary of our Company and with which there were related party transactions during the periods covered in the Restated Financial Information.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Group Companies are Agen Metcast Private Limited, Swastik Coaters Private Limited and Rouland Chemicals Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three Financial Years, extracted from its respective audited financial statements (as applicable), are required to be hosted on the websites of the Group Companies. Such financial information of the Group Companies does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision. Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

Details of our Group Companies

1. **Agen Metcast Private Limited**

Registered office

Plot No 90 Doolapally Road Jeedimetla Village, Quthbullhpur Mandal, Jeedimetla, RangaReddi District, Hyderabad 500 055, Telangana, India.

Financial information

Certain financial information derived from the audited financial statements of Agen Metcast Private Limited for Fiscals 2022, 2021 and 2020 and as required by the SEBI ICDR Regulations, are available on the website of our Company at www.azad.in/investors.

2. **Swastik Coaters Private Limited**

Registered office

Plot No. 90/C, Phase-I IDA, Jeedimetla, Hyderabad 500 037, Telangana, India.

Financial information

Certain financial information derived from the audited financial statements of Swastik Coaters Private Limited for Fiscals 2023, 2022 and 2021 and as required by the SEBI ICDR Regulations, are available on the website of our Company at www.azad.in/investors.

3. **Rouland Chemicals Private Limited**

Registered office

Plot No. 90 D, Phase 1 IDA, Jeedimetla, Hyderabad 500 055, Telangana, India.

Financial information

Certain financial information derived from the audited financial statements of Rouland Chemicals Private Limited for Fiscals 2023, 2022 and 2021 and as required by the SEBI ICDR Regulations, are available on the website of our Company at www.azad.in/investors.

Nature and extent of interest of the Group Companies

In the promotion of our Company

Our Group Companies are not interested in the promotion or formation of our Company as on the date of the Draft Red Herring Prospectus.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Companies are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus.

In transactions for acquisition of land, construction of building and supply of machinery, etc

Except for the land which Swastik Coaters Private Limited and Rouland Chemicals Private Limited have leased to our Company, our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. For further details, see "*History and Certain Other Corporate Matters – Other Agreements*" on page 200.

Common pursuits among our Group Companies and our Company

Our Group Companies are not involved in any kind of common pursuits with our Company as on the date of this Draft Red Herring Prospectus.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Other Financial Information - Related Party Transactions*" on page 18, there are no other related business transactions with our Group Companies.

Litigation involving our Group Companies which has a material impact on the issuer

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 our Group Companies

Except in the ordinary course of business and other than the transactions disclosed in the section "*Other Financial Information - Related Party Transactions*" on page 287, "*Our Business*" on page 160, and "- *In transactions for acquisition of land, construction of building and supply of machinery, etc*" on page 222, our Group Companies do not have any business interest in our Company.

Confirmations

Our Group Companies do not have any securities listed on any stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act. Our Company may also, from time to time, pay interim dividends. The dividend distribution policy of our Company was approved and adopted by our Board on September 13, 2023.

The declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors on the basis of which our Company may declare dividend shall *inter alia* include, profits earned and available for distribution during the financial year. accumulated reserves (including retained earnings), mandatory transfer of profits earned to specific reserves, past dividend trends, earning stability, future capital expenditure requirement of our Company and growth plans, both organic and inorganic. The external factors on the basis of which our Company may declare the dividend shall *inter alia* include domestic and global economic environment, unfavourable market conditions, changes in government policies and regulatory provisions, cost of raising funds from alternate sources, inflation rates, sense of Shareholders' expectations and cost of external financing.

No dividend on Equity Shares has been declared or paid by our Company during the last three Fiscals, the three months ended June 30, 2023, and the period from July 1, 2023 till the date of this Draft Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition, contractual restrictions, and capital requirements of our Company and regulatory requirements. Additionally, restrictive covenants under the loans or financing arrangements our Company is currently availing or may enter to finance our fund requirements for our business activities may impact our ability to pay dividends. For further details, see "*Risk Factors – Our ability to pay dividends in the future will depend on a number of factors, including but not limited to our earnings, financial condition, profit after tax available for distribution, cash flow, cash balance, debt-raising capacity, working capital requirements, liquidity and return ratios and restrictive covenants of our financing arrangements*" and "*Financial Indebtedness*" on pages 51 and 289, respectively.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

(*The remainder of this page is intentionally left blank*)

Examination Report of Independent Auditor on the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 and Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows for three months period ended June 30, 2023 and the years ended March 31, 2023, March 31, 2022 and March 31, 2021 along with the Statement of Material Accounting Policies and other explanatory information of Azad Engineering Limited (formerly known as Azad Engineering Private Limited) (herein after collectively, the "Restated Consolidated Financial Information")

The Board of Directors
Azad Engineering Limited
(Formerly known as Azad Engineering Private Limited)
90/C&D, Phase-1,
I.D.A. Jeedimetla, Hyderabad-500055

Dear Sirs /Madams,

1. We, M S K A & Associates, have examined the Restated Consolidated Financial Information of Azad Engineering Limited (formerly known as Azad Engineering 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") which comprises of Restated Consolidated Statement of Assets and Liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the three months period ended June 30, 2023 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the Statement of Material Accounting Policies and other explanatory Information (collectively referred to as the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company (the "Board of Directors") at their meeting held on September 22,2023, 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 of face value of Rs. 2 each ("IPO" or "Offer"), prepared in terms of the requirements of:

   a) the Sub-section (1) of 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 (the "SEBI 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").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's Board of Directors are responsible for the preparation of Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (collectively, "the Stock Exchanges") in connection with the Offer and the Registrar of Companies, Telangana at Hyderabad ("RoC"). The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1(i) of Annexure V to the Restated Consolidated Financial Information. The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors of the Company are also responsible for identifying and ensuring that the Group complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. We have examined the Restated Consolidated Financial Information taking into consideration:

   a) the terms of reference and terms of our engagement agreed with the Company in accordance with our engagement letter dated July 26 ,2023, in connection with the proposed Offer.

   b) the Guidance Note which also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI.

c) the concepts of test check 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 SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the Management of the Company from:

   a) Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as at and for the three months period ended June 30, 2023, prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 22,2023;

   b) Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2023, which were prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as "Ind AS"), and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on September 22,2023; and

   c) Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2022, which were prepared in accordance with the Ind AS and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on September 22,2023; and

   d) Audited Special Purpose Consolidated Financial Statements of the Group as at and for the year ended March 31, 2021, prepared in accordance with the basis of preparation, as set out in Note 2.1(i) of Annexure V to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on September 22,2023.

5. For the purpose of our examination, we have relied on:

   a) Auditors' reports issued by us dated September 22,2023, on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as at and for the three months period ended June 30, 2023 ("2023 Audited Interim Consolidated Ind AS Financial Statements") as referred in Para 4 (a) above;

   b) Auditors' report issued by us dated September 22,2023, on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2023 ("2023 Audited Consolidated Financial Statements") as referred in Para 4 (b) above;

   c) Auditors' Report Jointly issued by us & M/s. Laxminiwas & Co., Chartered Accountants ('Joint Auditors') dated September 22,2023, on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2022 ("2022 Audited Special Purpose Consolidated Ind AS Financial Statements"), as referred in Para 4 (c) above; and

   d) Report issued by M/s. A R Sulakhe & Co., Chartered Accountants ('Chartered Accountant') dated September 22,2023, on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021 ("2021 Audited Special Purpose Consolidated Financial Statements"), as referred in Para 4 (d) above.

   e) The special purpose audit for year ended March 31, 2022 was conducted by Joint auditors as referred in paragraph 5(c) above and accordingly reliance is placed on the Examination report dated September 22 , 2023 on the Restated Consolidated Statement of assets and liabilities as at March 31, 2022, the Restated Consolidated Statement of profit and loss (including other comprehensive income), Restated Consolidated statement of changes in equity and Restated Consolidated statement of cash flows for the year ended March 31, 2022 along with the Statement of Material accounting policies and other explanatory information ("2022 Restated Consolidated Financial Information") issued by the Joint auditors. Our examination report in so far as it relates to the said year is based solely on the report submitted by the Joint auditors. They have also confirmed that:

i) The 2022 Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial year, as at and for the year ended March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed in the Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Company as at and for the three months period ended June 30, 2023;

ii) there are no qualifications in the auditor's reports issued on the Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2022 which require any adjustments to the 2022 Restated Consolidated Financial Information; and

f) The 2022 Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note

g) The special purpose audit for year ended March 31, 2021 was conducted by the Chartered Accountant as referred in paragraph 5(d) above and accordingly reliance is placed on the Examination report dated September 22, 2023 on the Restated Consolidated Statement of assets and liabilities as at March 31, 2021, the Restated Consolidated Statement of profit and loss (including other comprehensive income), Restated Consolidated statement of changes in equity, Restated Consolidated statement of cash flows , for the year ended March 31, 2021 along with the Statement of Material accounting policies and other explanatory information ("2021 Restated Consolidated Financial Information") issued by the Chartered Accountant. Our examination report insofar as it relates to the said years is based solely on the report submitted by the Chartered Accountant. They have also confirmed that:

i) the 2021 Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial year, as at and for the year ended March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed in the Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Company as at and for the three months period ended June 30, 2023;

ii) there are no qualifications in the auditor's reports issued on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021 which require any adjustments to the Restated Consolidated Financial Information; and

iii) The 2021 Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

6. Joint auditor's report on 2022 Audited Special Purpose Consolidated Ind AS Financial Statements referred to in Para 5 (c) above included other matter paragraph as follows:

"The audit of Special Purpose Consolidated IND AS Financial Statements of the subsidiaries, as included in the Special Purpose Consolidated IND AS Financial Statements of the Group as at and for the year ended March 31, 2022, have been audited by one of the Joint Auditors - M/s. Laxminiwas & Co. The share of total assets, total revenues (including other income) and net cash outflows included in the Special Purpose Consolidated IND AS Financial Statements of such subsidiaries, for the year have been tabulated below:

Rs. in million

Name of the entity	Nature of the relationship	Year ended	Total assets	Total revenues	Net cash inflow/ (outflows)
Rouland Chemicals Pvt ltd	Subsidiary	**March 31**, 2022	5.50	0.12	-
Swastik Coaters Pvt ltd	Subsidiary	**March 31**, 2022	31.29	0.12	(0.03)

Our opinion on the 2022 Audited Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the joint auditor.

In our opinion and according to the information and explanations given to us by the management, the financials of the subsidiaries are not material to the Group."

7. Based on the above, according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Joint Auditors and Chartered Accountant for the respective years, we report that:

i) Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years, as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 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 June 30, 2023, as more fully described in Note 2.1(i) of Annexure V to the Restated Consolidated Financial Information;

ii) there are no qualifications in the auditor's or joint auditor's or Chartered Accountant's reports for the respective years which require any adjustments to the Restated Consolidated Financial Information; and

iii) Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

8. We have not audited any financial statements of the Group as at any date or for any period subsequent to June 30, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to June 30, 2023.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements, as mentioned in paragraph 5(a) above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the earlier auditor's reports issued by us or by the Chartered Accountant, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for the use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI and the Stock Exchanges and the Registrar of Companies, Telangana at Hyderabad ("RoC"), as applicable in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose without 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 23205226BGWECG7798

Place: Hyderabad
Date: September 22, 2023

AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)
(CIN : U74210TG1983PLC004132)
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(All amounts are Rs. in millions, unless otherwise stated)

Particulars	Note	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS					
Non-current assets					
Property, plant and equipment	3	2,148.34	2,166.54	1,444.01	1,210.77
Capital work-in-progress	4	392.73	379.86	236.56	-
Financial assets					
- Other financial assets	5	34.71	33.72	31.15	34.36
Other non-current assets	6	636.42	475.67	654.76	55.52
Total non-current assets		**3,212.20**	**3,055.79**	**2,366.48**	**1,300.65**
Current assets					
Inventories	7	950.12	860.63	573.75	342.88
Financial assets					
(i) Trade receivables	8	1,221.25	1,186.63	746.31	525.75
(ii) Cash and cash equivalents	9	353.06	194.06	44.25	17.74
(iii) Bank balances other than (ii) above	9	87.75	333.27	132.48	154.11
(iv) Other financial assets	5	0.77	0.91	-	12.34
Other current assets	10	308.30	260.79	179.94	206.98
Total current assets		**2,921.25**	**2,836.29**	**1,676.73**	**1,259.80**
Total assets		**6,133.45**	**5,892.08**	**4,043.21**	**2,560.45**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	11	16.52	16.52	15.13	15.13
Other equity	12	2,097.77	2,023.36	1,184.94	893.79
Total equity		**2,114.29**	**2,039.88**	**1,200.07**	**908.92**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	13	2,190.21	2,208.61	1,225.53	414.60
Provisions	16	26.80	25.64	22.52	14.08
Deferred tax liabilities (net)	17	156.43	135.87	116.33	97.65
Total non-current liabilities		**2,373.44**	**2,370.12**	**1,364.38**	**526.33**

AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)
(CIN : U74210TG1983PLC004132)
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(All amounts are Rs. in millions, unless otherwise stated)

Particulars	Note	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current liabilities					
Financial liabilities					
(i) Borrowings	14	1,064.15	797.40	746.27	462.53
(ii) Trade payables	15				
- total outstanding dues of micro enterprises and small enterprises		20.52	25.34	32.50	26.22
- total outstanding dues of creditors other than micro enterprises and small enterprises		339.49	450.01	392.95	346.83
(iii) Other financial liabilities	18	119.63	123.36	158.10	75.79
Provisions	16	26.51	22.40	10.81	6.51
Other current liabilities	19	31.90	38.64	53.95	168.25
Current tax liabilities (net)	20	43.52	24.93	84.18	39.07
Total current liabilities		**1,645.72**	**1,482.08**	**1,478.76**	**1,125.20**
Total liabilities		**4,019.16**	**3,852.20**	**2,843.14**	**1,651.53**
Total equity and liabilities		**6,133.45**	**5,892.08**	**4,043.21**	**2,560.45**

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly known as Azad Engineering Private Limited)
(CIN : U74210TG1983PLC004132)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: 22 September 2023

Place: Hyderabad
Date: 22 September 2023

Place: Hyderabad
Date: 22 September 2023

AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)
(CIN : U74210TG1983PLC004132)
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amounts are Rs. in millions, unless otherwise stated)

Particulars	Note	For the period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Income					
Revenue from operations	21	759.10	2,516.75	1,944.67	1,227.21
Other income	22	1.47	98.46	47.96	23.09
Total income		**760.57**	**2,615.21**	**1,992.63**	**1,250.30**
Expenses					
Cost of Materials Consumed	23	117.17	495.22	376.10	222.21
Changes in inventories of finished goods, work-in-progress	23	(39.35)	(193.71)	(168.48)	(84.12)
Employee benefits expense	24	154.76	592.69	462.71	325.96
Finance costs	25	101.25	523.82	136.16	53.54
Depreciation expense	26	47.70	165.83	133.14	88.73
Other expenses	27	264.37	899.77	651.66	481.62
Total expenses		**645.90**	**2,483.62**	**1,591.29**	**1,087.94**
Profit before tax for the period/year		114.67	131.59	401.34	162.36
Tax expense:					
Current tax	37	20.22	25.74	86.68	41.49
Tax pertaining to earlier years		-	2.42	-	-
Deferred tax	37	20.41	18.70	20.09	5.87
Total tax expense		**40.63**	**46.86**	**106.77**	**47.36**
Profit after tax for the period/year		**74.04**	**84.73**	**294.57**	**115.00**
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit and loss					
Items that will not be reclassified subsequently to profit and loss		0.52	2.90	(4.83)	(0.57)
Income Tax relating to these items		(0.15)	(0.84)	1.41	0.17
Total Other comprehensive income/(loss) for the period/year		0.37	2.06	(3.42)	(0.40)
Total comprehensive income for the period/year		74.41	86.79	291.15	114.60
Earnings per share (Face value of share Rs.2 each)					
- Basic (Rs)	31	1.49	1.79	6.49	2.53
- Diluted (Rs)		1.49	1.79	6.49	2.53

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly known as Azad Engineering Private Limited)
(CIN : U74210TG1983PLC004132)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: 22 September 2023

Place: Hyderabad
Date: 22 September 2023

Place: Hyderabad
Date: 22 September 2023

AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)
(CIN : U74210TG1983PLC004132)
Annexure III - Restated Consolidated Statement of Changes in Equity
(All amounts are Rs. in millions, unless otherwise stated)

A. Equity share capital

	Note	No. of Shares	Amount
As at 1 April 2020		**1,513,200**	**15.13**
Changes in equity shares	11	-	-
As at 31 March 2021		**1,513,200**	**15.13**
Changes in equity shares	11	-	-
As at 31 March 2022		**1,513,200**	**15.13**
Changes in equity shares	11	138,626	1.39
As at 31 March 2023		**1,651,826**	**16.52**
Changes in equity shares	11	-	-
As at 30 June 2023		**1,651,826**	**16.52**

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Retained earnings	Capital Redemption Reserve	Remeasurement of defined benefit obligations	
Balance as at 1 April 2020	**2.97**	**774.78**		**-**	777.75
Adjustments (Refer note no:12)		1.44			1.44
Profit for the year	-	115.00		-	115.00
Other comprehensive income	-	-		(0.40)	(0.40)
Balance as at 31 March 2021	**2.97**	**891.22**	**-**	**(0.40)**	**893.79**
Profit for the year	-	294.57	-	-	294.57
Other comprehensive income	-	-	-	(3.42)	(3.42)
Less: Transfer to Capital Redemption Reserve	-	(39.00)	-		(39.00)
Add: Transfer from Retained Earnings	-	-	39.00	-	39.00
Balance as at 31 March 2022	**2.97**	**1,146.79**	**39.00**	**(3.82)**	**1,184.94**
Profit for the year	-	84.73	-	-	84.73
Other comprehensive income	-	-	-	2.06	2.06
Add: Security premium from issue of equity shares	751.63	-	-	-	751.63
Balance as at 31 March 2023	**754.60**	**1,231.52**	**39.00**	**(1.76)**	**2,023.36**
Profit for the period	-	74.04	-	-	74.04
Other comprehensive income	-	-	-	0.37	0.37
Balance as at 30 June 2023	**754.60**	**1,305.56**	**39.00**	**(1.39)**	**2,097.77**

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date
For M S K A & Associates
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M No: A49550

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AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)
(CIN : U74210TG1983PLC004132)
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts are Rs. in millions, unless otherwise stated)

	Particulars	For the period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
(A)	**CASH FLOWS FROM OPERATING ACTIVITES :**				
	Profit before tax	114.67	131.59	401.34	162.36
	Adjustments for :				
	Depreciation expense	47.70	165.83	133.14	88.73
	Finance costs	101.25	523.82	136.16	53.54
	Loss on discard / sale of fixed assets	-	31.79	-	-
	Unrealized foreign exchange (gain)/loss	6.42	(27.15)	15.04	(11.56)
	Liabilities no longer required written back	-	-	(24.44)	-
	Allowance for bad and doubtful debts	1.25	4.75	2.37	7.89
	Interest income	(1.04)	(26.73)	(7.75)	(10.89)
	Operating profit before working capital changes	**270.25**	**803.90**	**655.86**	**290.07**
	Changes in working capital				
	(Increase) /Decrease in trade receivables	(42.29)	(417.92)	(237.97)	(111.64)
	(Increase)/Decrease in inventories	(89.49)	(308.27)	(230.87)	(177.53)
	(Increase) / Decrease in other financial assets	(3.47)	(17.08)	(14.46)	(80.99)
	(Increase)/Decrease in Other Current assets	(47.51)	(80.85)	27.04	15.91
	Increase / (Decrease) in trade payables	(115.34)	49.90	76.84	73.47
	Increase / (Decrease) in other financial liabilities	(3.73)	(34.74)	82.31	75.79
	Increase / (Decrease) in provision	4.16	14.67	12.72	(65.30)
	Increase/ (Decrease) in other liabilities	(6.74)	(15.31)	(114.30)	102.37
	Cash generated from operations	**(34.16)**	**(5.70)**	**257.17**	**122.15**
	Income taxes paid (net of refunds)	-	(96.39)	(47.78)	(74.42)
	Net cash flow/(Used) from/in operating activities (A)	**(34.16)**	**(102.09)**	**209.39**	**47.73**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment including capital advances	(200.50)	(856.22)	(1,171.47)	(203.84)
	Proceeds from sale of Property, Plant and Equipment	-	18.77	-	-
	Sale of Investments	-	-	0.10	-
	Deposits placed having original maturity of more than 3 months, net	245.52	(200.79)	21.63	(154.11)
	Interest received	1.04	26.73	7.75	10.89
	Net cash flow/(Used) from/in investing activities (B)	**46.06**	**(1,011.51)**	**(1,141.99)**	**(347.06)**
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity shares	-	573.46	-	-
	Proceeds from long term borrowings	-	177.45	447.29	247.39
	Proceeds from issuance of optionally & Compulsorily convertible debentures	-	1,600.00	600.00	-
	Repayment of long term borrowings	(18.40)	(614.81)	(236.36)	(104.69)
	Proceeds from of short term borrowings (net)	266.75	51.13	283.74	147.00
	Interest paid	(101.25)	(523.82)	(135.56)	(53.54)
	Net cash flow/(Used) from/in financing activities (C)	**147.10**	**1,263.41**	**959.11**	**236.16**
(D)	**Net increase/(decrease) in cash and cash equivalents [A+B+C]**	159.00	149.81	26.51	(63.17)
	Cash and cash equivalents at the beginning of the period / year	194.06	44.25	17.74	80.91
	Cash and cash equivalents at end of the period / year	**353.06**	**194.06**	**44.25**	**17.74**

AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)
(CIN : U74210TG1983PLC004132)
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts are Rs. in millions, unless otherwise stated)

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents comprise (Refer note 9)				
Balances with banks				
- in current accounts	222.25	106.38	35.74	12.98
- in EEFC Accounts	9.38	0.01	-	-
Deposits with maturity of less than 3 months	105.74	72.26	-	-
Cash on hand	15.69	15.41	8.51	4.76
Total cash and cash equivalents at end of the period/year	**353.06**	**194.06**	**44.25**	**17.74**

Note(i) The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VIl.

Note (ii) The above restated consolidated statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows" notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 (as amended) and the relevant provisions of the Act.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly known as Azad Engineering Private Limited)
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Chief Financial Officer

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Company Secretary
M No: A49550

Place: Hyderabad
Date: 22 September 2023

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1 Corporate Information

Azad Engineering Limited (Formerly known as Azad Engineering Private Limited) ('the Company' / 'Parent Company'/ 'Holding Company'/ 'Azad') together with its subsidiaries (collectively, "the Group") is one of the only Indian manufacturers of highly engineered, complex, mission and life critical high precision components. Its products include 3D rotating airfoil portions of turbine engines and other critical products for combustion, hydraulics, flight-controls, propulsion and actuation which power defence and civil aircrafts, spaceships, defence missiles, nuclear power, hydrogen, gas power, oil and thermal power.

The Parent Company and its subsidiaries have been incorporated under the provisions of the Companies Act, 1956. The Parent Company has been incorporated on September 14, 1983 and is having its registered office at 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana - 500055.

The 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 14 July 2023 and consequently the name of the Company has changed to “Azad Engineering Limited” pursuant to a fresh certificate of incorporation by the Registrar of Companies on 05 September 2023.

2 Material Accounting Policies

These notes provides a list of the material accounting policies adopted in the preparation of this Restated Consolidated Financial Information. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

The Restated Consolidated Financial Information relates to the Group and has been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offer (‘IPO’) of equity shares of the Company (referred to as the “Issue”). The Restated Consolidated Financial Information comprise Restated Consolidated Statement of Assets and Liabilities as at 30 June 2023, 31 March 2023, 31 March 2022, and 31 March 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity and Notes forming part of the Restated Consolidated Financial Information for the period / years ended 30 June 2023, 31 March 2023, 31 March 2022 and 31 March 2021 (hereinafter collectively referred to as “Restated Consolidated Financial Information”).

The Restated Consolidated Financial Information has been prepared by the Management of the Company to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);

b) 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 (the “Guidance Note”).

The Restated Consolidated Financial Information have been compiled from:

I. Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as at and for the three months period ended 30 June 2023 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting", as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognised accounting practices and policies generally accepted in India including the requirements of the Act, which has been approved by the Board of Directors at their meeting held on 22 September 2023.

II. Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2023 prepared in accordance with the Indian Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as “Ind AS”), and other recognised accounting practices and policies generally accepted in India including the requirements of the Act, which has been approved by the Board of Directors at their meeting held on 22 September 2023;

III. Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2022 prepared in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognised accounting practices and policies generally accepted in India including the requirements of the Act, which has been approved by the Board of Directors at their meeting held on 22 September 2023; and

IV. Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2021, prepared as per following basis :

The Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2021, have been prepared by the management of the Group in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘Previous GAAP’ or ‘Indian GAAP’) after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. 01 April 2021. These Audited Special Purpose IND AS Financial Statements have been approved by the Board of Directors on 22 September 2023.

(All amounts are Rs. in millions, unless otherwise stated)

Suitable restatement adjustments (both re-measurements and reclassifications) as per Ind AS 101, are made to these Financial Statements for the year ended 31 March 2021.

In pursuance to general directions received from Securities and Exchange Board of India (SEBI) vide their email dated 28 October 2021 received by the Book Running Lead Managers ('BRLMs') of the Company through Association of Investment Bankers of India (AIBI), as shared with us, these Special Purpose Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in Offer document in relation to the proposed IPO. As such these Special Purpose Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the three months period ended 30 June, 2023. This Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve and adopt the audited Special Purpose Financial Statements as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place, recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;

b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Restated Financial Information of the Group for the three months period ended 30 June, 2023 and the requirements of the ICDR Regulations, if any; and

c. The resultant impact of tax due to the aforesaid adjustments, if any.

(ii) Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest Millions except share data or as otherwise stated.

(iii) Basis of measurement

The financial information have been prepared on the historical cost basis except for the following items:

-	Certain financial assets and liabilities	:	Measured at fair value
-	Borrowings	:	Amortised cost using effective interest rate method
-	Net defined benefit (asset)/ liability	:	Present value of defined benefit obligations less fair value of plan assets

(iv) Use of estimates and judgements

The preparation of the Restated Consolidated financial information in conformity with Ind AS requires management to make estimates, judgements and assumptions that affects the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial information in the period in which the changes are made and, if material, such effects are disclosed in the notes to financial information.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3 and 4- determining an asset's expected useful life and the expected residual value at the end of its life.
- Note 8- Impairment of non financial assets and financial assets;
- -Note 29- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 34- measurement of defined benefit obligations: key actuarial assumptions;
- Note 37- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for financial assets and financial liabilities

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 35 - Financial instruments

(vi) Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

(All amounts are Rs. in millions, unless otherwise stated)

Restated consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated consolidated financial information to ensure conformity with the Group's accounting policies.

The financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. period/year ended on 30 June and 31 March.

b. Consolidation procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Restated consolidated financial information at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows rotating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated consolidated financial information. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

d. Subsidiaries considered in the Consolidated financial information:

S. No.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %			
				30 June 2023	31 March 2023	31 March 2022	31 March 2021
1	Rouland Chemicals Private Limited	Subsidiary	India	100%	100%	100%	100%
2	Swastik Coaters Private Limited	Subsidiary	India	100%	100%	100%	100%
3	Agen Metcast Private Limited*	Subsidiary	India	-	-	-	100%
4	Azad Engineering Pte Ltd #	Subsidiary	Singapore	100%	100%	100%	100%

*Agen Metcast Private Limited - Ceased to be a subsidiary with effect from 18 June 2021

During the month of 14 October 2020, the Company has subscribed for investment in Azad Engineering Pte Limited – 10,000 equity share of SGD 1 each, as 100% subsidiary of the Company, domiciled in Singapore. The shares are allotted by the subsidiary for which amount is yet to be paid by the Company. There are no operations as at 30 June 2023. The Company made an application for strike off, this application has been accepted by ACRA vide its letter dated 13 September 2023.

(vii) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when it is:

- it is expected to be realised in, or is intended for sale or consumption in, the Group normal operating cycle;

- it is expected to be realised within twelve months from the reporting date;

- it is held primarily for the purposes of being traded; or

- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

Liabilities

A liability is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Group normal operating cycle;

- it is due to be settled within twelve months from the reporting date;

- it is held primarily for the purposes of being traded;

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

- the Group does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Group has ascertained its operating cycle as 12 months.

2.2 Summary of material accounting policies

A. Revenue recognition

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) **Sale of products:**

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. No significant element of financing is deemed present for the sales made with a credit term, which is consistent with market practice. The contracts that Group enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115.

ii) **Sale of services:**

The Group renders job work services that are provided separately. The Group recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

iii) **Export benefits:**

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

iv) **Interest income:**

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head ‘other income’ in the statement of profit and loss

v) **Contract Balances:**

Contract Liability:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Trade Receivable:

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (D) Financial instruments – initial recognition and subsequent measurement.

B. Borrowing cost

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

C Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased if the payment is over due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

iv) *Derecognition of financial assets*

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iii) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Written - off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

D Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable 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 located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land is measured at cost and not depreciated. All other items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

Useful life table

Category of asset	Useful lives estimated by the management	Useful lives as per Schedule II of Companies Act, 2013
Computer & Data processing units	3	3
Electrical Fittings	10	10
Furniture & fixtures	10	10
Servers & Networks	6	6
Plant & Machinery	15	15
Factory Buildings	30	30
Office equipment	5	5
Motor Vehicles	8	8

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss. Depreciation method, useful lives and residual values are reviewed at each period end and adjusted if appropriate.

iii) Expenditure during construction period:

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

E Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

Raw Materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. These items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

b) Finished Goods and Work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) Provision for inventory

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

d) Tools

Tools used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools, subject to a maximum of 5 years.

F Impairment of non-financial assets

The Group non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Group corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying am ount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

G Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

The Group is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency as at the year end.

(ii) Defined benefit plans

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. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and 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

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

***(iii)* Compensated Absences:**

The Compensated absences policy provides employees to convert their unused accrued leave days into monetary compensation. It covers eligibility, types of leave eligible for encashment (earned/annual leave, privilege leave, and other applicable leave), and the maximum encashment limit.

The approval process ensures compliance with the policy, and the payout is calculated based on the employee's basic salary.

It also addresses taxation and deductions, stating that applicable tax laws will be followed, and the Group will deduct appropriate taxes at source. The policy reserves the right for the Group to amend or revise any part of it at its discretion, and any queries or clarifications regarding the policy's implementation can be addressed to the HR department. Employees acknowledge their agreement to adhere to the provisions of the policy by availing of compensated absences.

H Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

(i) the contract involves the use of identified asset;

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

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

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

I Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which gives future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will be realised.

J Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in financial information since this may result in the recognition of income that may never be realised.

However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

K Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders of the parent by the weighted average number of equity shares outstanding during the period/year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

L Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

M Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

N Foreign currency transactions and balances

In preparing the financial information of the Group, transactions in currencies other than the Group functional currency (i.e. foreign currencies) are recognised 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 at the rates prevailing at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at Rs spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

O 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 an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received.

P Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial information. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Q Recent accounting pronouncements:

MCA notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 as issued from time to time. On June 30, 2023, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

(All amounts are Rs. in millions, unless otherwise stated)

Statement of restatement adjustments

For periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) notified under section 133 of the Companies Act, 2013. The Restated Consolidated Financial Information have been compiled from the audited financial statements of the Company as at and for the year ended 31 March 2023 and the Audited Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2022 & 31 March 2021 (refer basis of preparation para under Note 2.1).

In preparing these financial statements, the Company's opening balance sheet was prepared as at 01 April 2021, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 01 April 2021 and the financial statements as at and for the year ended 31 March 2022 and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

There is no difference between Restated Consolidated Financial Information, Audited Financial Statements and Audited Special Purpose Financial Statements of the Company as referred above. Reconciliations between the Restated Consolidated Financial Information and Audited Financial Statements (IGAAP) of the Company are set out in the following tables and notes.

A Reconciliations between the restated financial information and audited financial statements (IGAAP) of the Company.

1 Reconciliation of total equity as at 31 March 2022, 31 March 2021 and 01 April 2020

Particulars	Note	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Total equity (shareholder's funds) as per audited IGAAP Financials of respective years		1,254.17	999.22	893.46
Adjustments:				
Adjustment of opening balance of equity - Ind AS		(90.30)	(103.33)	1.44
Adjustment for fair valuation of Gratuity	ii(d)	3.96	-	-
Adjustment for expected credit loss / provision allowance on financial assets	ii(b)	(1.69)	(7.89)	-
Adjustment for Effective interest rate adjustment on borrowings	ii(c)	(9.47)	4.09	-
Adjustment due to measurement of financial assets and financial liabilities at amortised cost	ii(a)	0.16	-	-
Other adjustments	B	38.86	32.35	(39.00)
Prior period adjustments	i	6.02	(27.79)	(64.82)
Tax effect of adjustments	ii(e)	1.78	12.66	(0.95)
Adjustment due to remeasurement of defined benefit plan(Net of tax)	ii(d)	(3.42)	(0.39)	-
Total Adjustments		**(54.10)**	**(90.30)**	**(103.33)**
Total equity as per restated financial information		**1,200.07**	**908.92**	**790.13**

2 Reconciliation of profit and other comprehensive income/(loss) for the year ended 31 March 2022 and 31 March 2021

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/(loss) after tax as per as per audited IGAAP Financials of respective years		**294.63**	**133.92**
Adjustments:			
Adjustment for Gratuity	ii(d)	3.96	-
Adjustment for expected credit loss allowance on financial assets	ii(b)	(2.37)	(7.89)
Adjustment for Effective interest rate adjustment on borrowings	ii(c)	(9.47)	4.09
Measurement of financial assets and financial liabilities at amortised cost	ii(a)	0.16	-
Other adjustments		(0.14)	-
Prior period adjustment	i	6.02	(27.79)
Tax effect of adjustments	ii(e)	1.78	12.66
Total Adjustments		**(0.06)**	**(18.93)**
Profit for the year as per restated financial information		**294.57**	**114.99**
Other comprehensive income/(loss)			
Remeasurement of defined benefit obligations (net of tax)	ii(d)	(3.42)	(0.39)
Total comprehensive income for the year as per restated financial information		**291.15**	**114.60**

(All amounts are Rs. in millions, unless otherwise stated)

3 Impact of restatement adjustment on the cash flows statement for the year ended 31 March 2022 and 31 March 2021

The restatement adjustment has not made a material impact on the statement of cash flows.

4 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per as per audited IGAAP Financials and as per the restated statement of assets and liabilities is as follows:

Particulars	Notes	As at 31 March 2022			As at 31 March 2021		
		IGAAP *	Adjustments	Restated	IGAAP*	Adjustments	Restated
ASSETS							
Non-current assets							
Property, plant and equipment	ii(a)	1,609.13	(165.12)	1,444.01	1,177.51	33.26	1,210.77
Capital work-in-progress		38.18	198.38	236.56	-	-	-
Goodwill	B	33.26	(33.26)	-	33.26	(33.26)	-
Financial assets							
- Other financial assets	ii(a)	29.91	1.24	31.15	34.36	-	34.36
Other non-current assets	B	686.73	(31.97)	654.76	109.39	(53.87)	55.52
Total non-current assets		**2,397.21**	**(30.73)**	**2,366.48**	**1,354.52**	**(53.87)**	**1,300.65**
Current assets							
Inventories	B	541.78	31.97	573.75	294.93	47.95	342.88
Financial assets			-			-	
(i) Trade receivables	ii(b)	756.57	(10.26)	746.31	533.64	(7.89)	525.75
(ii) Cash and cash equivalents		44.25	-	44.25	17.74	-	17.74
(iii) Bank balances other than (ii) above		132.48	-	132.48	154.11	-	154.11
(iv) Other financial assets		-	-	-	12.34	-	12.34
Other current assets	ii(a) , B	183.09	(3.15)	179.94	204.59	2.39	206.98
Total current assets		**1,658.17**	**18.56**	**1,676.73**	**1,217.35**	**42.45**	**1,259.80**
Total assets		**4,055.38**	**(12.17)**	**4,043.21**	**2,571.87**	**(11.42)**	**2,560.45**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	B	15.13	-	15.13	54.13	(39.00)	15.13
Other equity	i , ii.	1,239.04	(54.10)	1,184.94	945.09	(51.30)	893.79
Total equity		**1,254.17**	**(54.10)**	**1,200.07**	**999.22**	**(90.30)**	**908.92**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	ii(c)	1,222.85	2.68	1,225.53	370.81	43.79	414.60
Provisions	i	22.52	-	22.52	16.28	(2.20)	14.08
Deferred tax liabilities (net)	i , ii(e)	85.71	30.62	116.33	68.65	29.00	97.65
Total non-current liabilities		**1,331.08**	**33.30**	**1,364.38**	**455.74**	**70.59**	**526.33**
Current liabilities							
Financial liabilities							
(i) Borrowings	ii(c)	746.27	-	746.27	463.18	(0.65)	462.53
(iii) Trade payables			-			-	
- Total outstanding dues of micro and small enterprises		32.50	-	32.50	26.22	-	26.22
- Total outstanding dues of creditors other than micro and small enterprises		392.94	-	392.95	346.83	-	346.83
(iv) Other financial liabilities	i	158.10	-	158.10	70.57	5.22	75.79
Provisions	ii(d)	10.81	-	10.81	2.79	3.72	6.51
Other liabilities	B	53.99	(0.04)	53.95	168.25	-	168.25
Current tax liabilities (Net)	B	75.51	8.67	84.18	39.07	-	39.07
Total current liabilities		**1,470.13**	**8.63**	**1,478.76**	**1,116.91**	**8.29**	**1,125.20**
Total liabilities		**2,801.21**	**41.93**	**2,843.14**	**1,572.65**	**78.88**	**1,651.53**
Total equity and liabilities		**4,055.38**	**(12.17)**	**4,043.21**	**2,571.87**	**(11.42)**	**2,560.45**

** The audited financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

(All amounts are Rs. in millions, unless otherwise stated)

5 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited IGAAP financials and as per restated financial information is as follows:

Particulars	Notes	For the year ended 31 March 2022			For the year ended 31 March 2021		
		IGAAP *	Adjustments	Restated	IGAAP *	Adjustments	Restated
Income							
Revenue from operations	B, ii(f)	1,931.86	12.81	1,944.67	1,207.95	19.26	1,227.21
Other income	ii(a) , B	60.61	(12.65)	47.96	42.35	(19.26)	23.09
Total income		**1,992.47**	**0.16**	**1,992.63**	**1,250.30**	**-**	**1,250.30**
Expenses							
Cost of Materials Consumed		376.10	-	376.10	222.21	-	222.21
Changes in inventories of finished goods, work-in-progress		(168.48)	-	(168.48)	(84.12)	-	(84.12)
Employee benefits expense	ii(d)	471.89	(9.18)	462.71	318.08	7.88	325.96
Finance costs	ii(c)	127.98	8.18	136.16	48.91	4.63	53.54
Depreciation expense		133.14	-	133.14	88.73	-	88.73
Other expenses	i,ii(b)	653.84	(2.18)	651.66	467.81	13.81	481.62
Total expenses		**1,594.47**	**(3.18)**	**1,591.29**	**1,061.62**	**26.32**	**1,087.94**
Profit/(Loss) before tax for the period/year		**398.00**	**3.34**	**401.34**	**188.68**	**(26.32)**	**162.36**
Tax expenses							
Current tax		86.68	-	86.68	41.49	-	41.49
Tax pertaining to earlier years			-	-		-	-
Deferred tax	ii(e)	16.69	3.40	20.09	13.27	(7.40)	5.87
Total tax expense		103.37	3.40	106.77	54.76	(7.40)	47.36
Profit/(Loss) after tax for the period/year		**294.63**	**(0.06)**	**294.57**	**133.92**	**(18.92)**	**115.00**
Other comprehensive income/(loss)							
Items that will not be reclassified subsequently to profit and loss							
Remeasurements of defined benefit liability	ii(d)	-	(4.83)	(4.83)	-	(0.57)	(0.57)
Deferred Tax Income - OCI	ii(d)	-	1.41	1.41	-	0.17	0.17
Total comprehensive income/(loss) for the period/year		**294.63**	**(3.48)**	**291.15**	**133.92**	**(19.32)**	**114.60**

** The audited financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

6 Notes :

i **Prior Period Adjustments**

The Company has certain accruals and restatement of forex balances which were not accounted in the year when the expense / restatement was incurred. During the current year on transition to IND AS the Company has rectified these errors by restating the balances to the respective year in which they were incurred. The summary of the adjustments have been summarised in the table below.

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**	**As at April 01, 2020**
Employee benefit & Gratuity expense	5.22	(7.88)	(15.16)
Restatement of forex & Interest on late payment of advance tax	1.29	(8.72)	(13.14)
Other expenses	4.69	(5.93)	-
Deferred tax	(5.18)	(5.26)	(36.52)
Total	**6.02**	**(27.79)**	**(64.82)**

ii. **Ind AS Adjustments**

ii(a) **Property plant and equipment**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment

Interest free security deposit for loan:

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the loan term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as expense during FY 2021-22. Consequently, the amount of security deposit as on 31 March 2022 has been decreased by Rs. 1.91 Mn.

Electricity deposit:

Under Indian GAAP, Electricity deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued electricity deposit under Ind AS by increasing the value of electricity deposit to the extent of the interest accrued on electricity deposit. Consequently, the amount of interest accrued but not due under other current assets as on 31 March 2022 has been decreased by Rs. 0.59 Mn (31 March 2021: Rs. 0.36 Mn).

ii(b) **Expected credit loss**

Under previous GAAP, the Company measured financial assets at cost. As at the transition date, the Company recognised the provision for expected credit loss for certain financial assets i.e., Trade receivables as per the criteria set out in Ind AS 101.

ii(c) **Borrowings**

As per Ind AS 109, the Company has classified Foreign Currency Term Loans and Rupee Term Loans as financial liabilities to be measured at amortised cost. The borrowings have been restated as at the date of transition using effective interest method i.e., (Transaction value Less unamortized portion of transaction cost) and subsequently measured at amortized cost

ii(d) **Defined benefit obligation**

Under Indian GAAP, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are to be recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Therefore, the Company has recognised all the remeasurement gain/loss on the defined benefit liability in Other Comprehensive Income -Items that will not be reclassified subsequently to profit and loss forming part of Total Comprehensive Income from the date of transition to IndAS.

ii(e) **Deferred tax assets (net)**

The Company has recognised deferred tax assets (net) on Provisions for doubtful debts other temporary difference on account of rectification of prior period errors and on account of adjustments made on transition to Ind AS.

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

ii(f) **Ind AS 115 - Revenue**

Under Ind AS, the Company shall recognise revenue when it satisfies a performance obligation by transferring a promised goods or services to the customers.

B Material regrouping :

Appropriate regroupings have been made in the Restated Balance Sheet, Restated Statement of Profit & Loss and Restated Statement of Cashflows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period/years ended 30 June 2023, 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

C Non-adjusting items:

I. Audit qualifications matter paragraph for the respective years, which do not require any adjustments in the restated consolidated Financial Information are as follows:

For the year ended 31 March 2021

Consolidated Financial Statements- Basis for Qualification

During the current financial year, under the provisions of Section 135 of the Act, the Holding Company is required to spend Rs.5.33Mn towards corporate social responsibility. However, the Holding Company has spent only Rs.2.28 Mn, leaving an unspent amount of Rs.3.05 Mn during the financial year which is also not transferred to a separate bank account.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Management comments: The Corporate Social Responsibility amount of Rs. 3.05 Mn outstanding as on March 31, 2021 has been subsequently transferred to specific CSR account on 20 December, 2022

II **Other matters paragraph for the respective years, which do not require any adjustments in the restated consolidated Financial Information are as follows:**

For the year ended 31 March 2022

a **Consolidated Financial Statements - Other Matters**

We, M S K A & Associates, did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.36.80 Mn as at March 31, 2022, total revenues of Rs.0.24 Mn and net cash flows amounting to Rs 0.10 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited solely by the other joint auditor, M/s Laxminiwas & Co, whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) and sub-section (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other joint auditor.

M S K A & Associates opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other joint auditor. Further

b The Consolidated financial statements of the Company for the year ended March 31, 2021, were audited by joint auditor. The said auditor had qualified his report dated 29 September, 2022 with respect to Corporate Social Responsibility requirements.

Management comments: The Corporate Social Responsibility amount of Rs. 3.05 Mn outstanding as on March 31, 2021 has been subsequently transferred to specific CSR account on 20 December, 2022

c As at March 31,2022, the Company has accumulated unspent amount of Rs. 8.32 Mn pertaining to Corporate Social Responsibility(CSR). The Holding Company has transferred the funds to specific CSR account and spend the amount on the identified ongoing projects.

Our opinion is not modified in respect of above matter

For the year ended 31 March 2021

Consolidated Financial Statements- Other Matters

We have not audited the standalone financial statements of either of the Holding Company or its subsidiaries whose financial statements reflects Total Assets Rs.2,596.82 Mn as at 31 March 2021, Total Income of Rs.1,249.69 Mn and net cash flows amounting Rs.123.14 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to is 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 holding Company and those subsidiaries and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid entities is based solely on the reports of the other Auditors. Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

III **Auditor's Comment in Annexure to Auditors' Report, which do not require any corrective adjustments in the Consolidated Restated Financial Information.**

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 as at and for the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively. Certain statements/comments included in the CARO in the standalone financial statements of the parent Company, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

(All amounts are Rs. in millions, unless otherwise stated)

<u>For the year ended 31 March 2023</u>

Clause (vii) (a) of CARO 2016 Order

a According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not generally been regularly deposited by the Company with the appropriate authorities though delay in deposit have not been serious.

b **Clause (vii) (b) of CARO 2016 Order**

According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows

Name of the statute		Nature of dues	Amount Demanded Rs in Mn	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961		Income Tax	6.82	AY 2020-21	CIT (Appeals)
Customs Act, 1962		Customs Duty	42.18	FY 2014-15	Commissioner of Customs
Customs Act, 1962		Customs Duty	0.98	FY 2016-17	Commissioner of Customs
Customs Act, 1962		Customs Duty	19.88	FY 2017-18	Commissioner of Customs
Customs Act, 1962		Customs Duty	1.81	FY 2018-19	Commissioner of Customs
Customs Act, 1962		Customs Duty	17.89	FY 2019-20	Commissioner of Customs
Customs Act, 1962		Customs Duty	3.50	FY 2020-21	Commissioner of Customs

<u>For the year ended 31 March 2022</u>

a According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not generally been regularly deposited by the Company with the appropriate authorities though delay in deposit have not been serious.

b **Clause (vii) (b) of CARO 2016 Order**

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute, except as per details below:

Name of the statute	Nature of dues	Amount in Rs. Mn	Period to which the amount relates	Forum where the dispute is pending
The income Tax Act, 1961	Income Tax	0.66	AY 09-10	Assessing Officer
The income Tax Act, 1961	Income Tax	0.01	AY 18-19	Assessing Officer
The income Tax Act, 1961	Income Tax	0.01	AY 18-19	Assessing Officer
The income Tax Act, 1961	Income Tax	6.07	AY 20-21	Assessing Officer

(c) **Clause (XX) (b) of CARO 2016 Order**

In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance section 135(6) of the said Act, except in respect of the following

Financial year	Amount unspent on Corporate Social Responsibility activities "Ongoing Projects"	Amount transferred to special Account within 30 days from the end of the financial year	Amount transferred after the due date i.e., 20th Dec 2022
FY 20-21	3.05 Mn	-	3.05 Mn
FY 21-22	5.26 Mn	-	5.26 Mn

<u>For the year ended 31 March 2021</u>

Clause (ii) of CARO 2016 Order

According to the information and explanation given to us, the inventories have been physically verified during the year by the management. In our Opinion, the frequency of ich verification is reasonable. The Company has not maintained proper records of inventories. The Company is manufacturing items based on specific drawings provided by customers and there are numerous products manufactured during the year. Further the products are not standardized one. Hence quantity records cannot be determined. In absence of proper stock record, material discrepancies on physical verification could not be determined.

(All amounts are Rs. in millions, unless otherwise stated)

3 Property, plant and equipment

Description	Land	Factory Buildings	Plant & Machinery	Electrical Fittings	Furniture and Fixtures	Computer & Data processing Units	Servers & Networks	Office Equipment	Vehicles	Total
Gross carrying amount										
Deemed Cost as at 01 April 2020	**49.33**	**89.81**	**813.27**	**34.96**	**11.64**	**10.00**	**6.74**	**5.15**	**26.83**	**1,047.73**
Additions	-	4.65	177.06	0.41	2.80	4.08	1.22	8.70	19.59	218.51
Adjustments	33.26	-	-	-	-	-	-	-	-	33.26
Balance as at 31 March 2021	**82.59**	**94.46**	**990.33**	**35.37**	**14.44**	**14.08**	**7.96**	**13.85**	**46.42**	**1,299.50**
Additions	198.38	5.93	309.41	4.23	4.53	8.68	14.45	7.55	12.06	565.22
Adjustments	(198.38)	-	-	-	-	-	-	-	-	(198.38)
Disposals	-	(0.46)	-	-	-	-	-	-	-	(0.46)
Balance as at 31 March 2022	**82.59**	**99.93**	**1,299.74**	**39.60**	**18.97**	**22.76**	**22.41**	**21.40**	**58.48**	**1,665.88**
Additions	-	20.57	839.56	10.87	3.16	6.56	8.05	15.38	15.70	919.85
Disposals	-	(2.17)	(28.65)	(0.32)	(0.35)	-	-	-	-	(31.49)
Balance as at 31 March 2023	**82.59**	**118.33**	**2,110.65**	**50.15**	**21.78**	**29.32**	**30.46**	**36.78**	**74.18**	**2,554.24**
Additions	-	1.83	12.27	5.91	0.82	2.83	-	2.99	2.85	29.50
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2023	**82.59**	**120.16**	**2,122.92**	**56.06**	**22.60**	**32.15**	**30.46**	**39.77**	**77.03**	**2,583.74**
Accumulated depreciation										
Accumulated depreciation as at 01 April 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	3.12	68.88	3.46	1.80	2.33	1.38	2.25	5.51	88.73
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**-**	**3.12**	**68.88**	**3.46**	**1.80**	**2.33**	**1.38**	**2.25**	**5.51**	**88.73**
Depreciation for the year	-	4.23	88.43	11.29	2.18	9.45	3.91	3.80	9.85	133.14
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	**-**	**7.35**	**157.31**	**14.75**	**3.98**	**11.78**	**5.29**	**6.05**	**15.36**	**221.87**
Depreciation for the year	-	3.91	133.97	4.49	2.57	5.00	4.19	5.95	8.11	168.19
Disposals/adjustments	-	(0.13)	(2.10)	(0.06)	(0.07)	-	-	-	-	(2.36)
Balance as at 31 March 2023	**-**	**11.13**	**289.18**	**19.18**	**6.48**	**16.78**	**9.48**	**12.00**	**23.47**	**387.70**
Depreciation for the period	-	1.02	37.53	1.30	0.68	1.80	1.42	1.85	2.10	47.70
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2023	**-**	**12.15**	**326.71**	**20.48**	**7.16**	**18.58**	**10.90**	**13.85**	**25.57**	**435.40**

Deemed cost as at 01 April 2020	**49.33**	**89.81**	**813.27**	**34.96**	**11.64**	**10.00**	**6.74**	**5.15**	**26.83**	**1,047.73**
Net carrying amount as at 31 March 2021	**82.59**	**91.34**	**921.45**	**31.91**	**12.64**	**11.75**	**6.58**	**11.60**	**40.91**	**1,210.77**
Net carrying amount as at 31 March 2022	**82.59**	**92.58**	**1,142.43**	**24.85**	**14.99**	**10.98**	**17.12**	**15.35**	**43.12**	**1,444.01**
Net carrying amount as at 31 March 2023	**82.59**	**107.20**	**1,821.47**	**30.97**	**15.30**	**12.54**	**20.98**	**24.78**	**50.71**	**2,166.54**
Net carrying amount as at 30 June 2023	**82.59**	**108.01**	**1,796.21**	**35.58**	**15.44**	**13.57**	**19.56**	**25.92**	**51.46**	**2,148.34**

3.01 **Property, plant and equipment pledged as security**
Refer to Note 13 & 14 for information on property, plant and equipment pledged as security by the group.

(All amounts are Rs. in millions, unless otherwise stated)

4 Capital Work In Progress

Particulars	**As at 30 June 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Capital Works in Progress	392.73	379.86	236.56	-

Ageing - Capital Work In Progress

Project in progress	**Amount in Capital Work In Progress for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2021	-	-	-	-	-
As at 31 March 2022	236.56	-	-	-	236.56
As at 31 March 2023	143.30	236.56	-	-	379.86
As at 30 June 2023	17.88	138.29	236.56	-	392.73

There are no projects as Capital Work in Progress as at 30 June 2023, 31 March 2023, 31 March 2022 and 31 March 2021 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

Capitalised borrowing costs

Capital work in progress as at 30 June 2023 comprises expenditure for the new manufacturing unit under construction at Tuniki Bolaram. The construction work started in August 2021 and expected to be complete by March 2024. During the financial year 2022-23 the Company has purchased another land which is located at Mamgampet (Patancheruvu) and plans to set up one more unit. The work on the Mamgampet plant is yet to commence.

The amount of borrowing costs capitalised during the period/year ended 30 June 2023 was Rs 12.88 Mn (31 March 2023 :Rs 61.48 Mn and 31 March 2022: Rs 38.18 Mn). All borrowing costs are capitalised using rates based on borrowings with the interest rate ranging between 11% to 18.50% per annum.

5 Other financial assets

	As at 30 June 2023	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Non-current (at amortised cost)				
(Unsecured considered good)				
Deposits				
a. Security deposits	12.52	12.42	9.72	2.00
b. Deposit accounts with maturity for more than 12 months[refer note (a) below]	22.19	21.30	21.43	32.36
	34.71	**33.72**	**31.15**	**34.36**

Note (a): out of the fixed deposits amounts Rs 7.22 Mn as at 30 June 2023, Rs 20.17 Mn as at 31 March 2023, Rs 14.54 Mn as at 31 March 2022 and Rs 32.36 Mn as at 31 March 2021 held as lien by banks towards the various fund facilities sanctioned.

Current				
Interest Accrued on Fixed deposits	0.77	0.91	-	12.34
	0.77	**0.91**	**-**	**12.34**

6 Other non-current assets

	As at 30 June 2023	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
(Unsecured, Considered good)				
a. Capital advance	538.03	379.90	572.59	3.36
b. Prepaid Expenses	65.17	65.48	66.56	38.35
c. Electricity Deposit	33.22	30.29	15.61	13.81
	636.42	**475.67**	**654.76**	**55.52**

(All amounts are Rs. in millions, unless otherwise stated)

7 Inventories

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Raw Material	321.20	252.33	204.09	163.00
Work in Progress	456.32	399.93	280.10	103.52
Finished goods*	37.35	65.03	20.30	25.62
Scrap Inventory	42.47	31.83	-	-
Consumable stores, Spares & Fixtures	92.78	111.51	69.26	50.74
	950.12	**860.63**	**573.75**	**342.88**

(* Valued at lower of cost and net realisable value)

8 Trade receivables

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Trade receivables				
Unsecured,				
-Considered good (refer note below)	1,221.25	1,186.63	746.31	525.75
-Credit Impaired	16.25	15.00	10.25	7.89
	1,237.50	**1,201.63**	**756.56**	**533.64**
Allowance for bad and doubtful debts				
Less: Receivables credit impaired	(16.25)	(15.00)	(10.25)	(7.89)
	1,221.25	**1,186.63**	**746.31**	**525.75**

i No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
ii Trade receivables are non-interest bearing and generally on terms of 120 to 180 days
iii Trade receivables include debts from related parties refer note No 30

Allowance for bad and doubtful debts	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Opening balance	15.00	10.25	7.89	-
Credit loss added	1.25	4.75	2.36	7.89
Written off during the year	-	-	-	-
Reversal during the period	-	-	-	-
Closing balance	**16.25**	**15.00**	**10.25**	**7.89**

a. Trade Receivables ageing schedule:
As at 30 June 2023

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	839.18	190.18	119.05	59.01	2.82	11.01	1,221.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	8.09	5.06	2.51	0.12	0.47	16.25
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	839.18	198.27	124.11	61.52	2.94	11.48	1,237.50

(All amounts are Rs. in millions, unless otherwise stated)

As at 31 March 2023

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	826.81	235.96	75.77	33.64	3.21	11.24	1,186.63
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	9.84	3.16	1.40	0.13	0.47	15.00
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	826.81	245.80	78.93	35.04	3.34	11.71	1,201.63

As at 31 March 2022

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	299.95	356.10	66.91	5.44	17.08	0.83	746.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	8.18	1.54	0.12	0.39	0.02	10.25
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	299.95	364.28	68.45	5.56	17.47	0.85	756.56

As at 31 March 2021

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	241.50	214.97	30.61	36.81	1.01	0.85	525.75
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	5.97	0.85	1.02	0.03	0.02	7.89
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	241.50	220.94	31.46	37.83	1.04	0.87	533.64

9 Cash and Bank Balances

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(a) Cash and cash equivalents				
Balances with banks				
- in current accounts	222.25	106.38	35.74	12.98
- in EEFC Accounts	9.38	0.01	-	-
Deposits with maturity of less than 3 months[refer note (a) below]	105.74	72.26	-	-
Cash on hand	15.69	15.41	8.51	4.76
	353.06	**194.06**	**44.25**	**17.74**
(b) Other bank balances :				
- Earmarked balance with Bank for redemption of unclaimed Preference shares	39.00	-	-	-
- deposits with remaining maturity less than 12 months[refer note (a) and (b) below]	48.75	333.27	132.48	154.11
	87.75	**333.27**	**132.48**	**154.11**
	440.81	**527.33**	**176.73**	**171.85**

(All amounts are Rs. in millions, unless otherwise stated)

Note (a): out of the fixed deposits amounts Rs 145.92 Mn as at 30 June 2023, Rs 127.27 Mn as at 31 March 2023, Rs 62.75 Mn as at 31 March 2022 and Rs 154.11Mn as at 31 March 2021 held as lien by banks towards the various fund facilities sanctioned.
(b) CSR contribution amounting to Rs 5.82 Mn included in above deposits on 30 June 2023

10 Other current assets

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Unsecured, Considered good				
Advance to suppliers	158.44	111.36	74.99	95.29
Advances to employees	17.86	17.35	16.39	-
Balance with government authorities	102.01	104.02	54.06	84.50
Other deposits & Advances	10.80	10.63	25.00	9.08
Prepaid Expenses	19.19	17.43	9.50	18.11
	308.30	**260.79**	**179.94**	**206.98**

11 Equity Share capital

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Authorized share capital				
15,000,000(31 March 2023: 15,000,000, 31 March 2022 :10,000,000, 31 March 2021 :10,000,000)Equity shares of Rs.10/- each	150.00	150.00	100.00	100.00
Issued, subscribed and paid up				
1,651,826(31 March 2023: 1,651,826 31 March 2022 :1,513,200, 31 March 2021 :1,513,200)Equity shares of Rs.10/- each	16.52	16.52	15.13	15.13
	16.52	**16.52**	**15.13**	**15.13**

i) Reconciliation of authorised share capital

Particulars	As at 30 June 2023		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn
Outstanding at the beginning of the period/ year	15,000,000	150.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00
Changes during the period/year	-	-	5,000,000	50.00	-	-	-	-
Outstanding at the end of the period/year	15,000,000	150.00	15,000,000	150.00	10,000,000	100.00	10,000,000	100.00

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 30 June 2023		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn
Outstanding at the beginning of the period/ year	1,651,826	16.52	1,513,200	15.13	1,513,200	15.13	1,513,200	15.13
Add:		-						
i. issued during the period/year	-	-	95,138	0.95	-	-	-	-
ii. Shares issued on conversion of Compulsorily convertible debentures(CCDs) (Refer '**Note (a)'** below)			43,488	0.44	-	-	-	-
Outstanding at the end of the period/year	1,651,826	16.52	1,651,826	16.52	1,513,200	15.13	1,513,200	15.13

Note (a) Aggregate number of shares issued for a consideration other than cash:
During the year ended 31 March 2023, the Board of Directors and the Shareholders of the Holding Company have passed a resolution to convert CCDs of DMI Finance Private Limited into equity shares. Accordingly, such CCDs were converted into 43,488 equity shares at Rs. 4,129.07 per equity share (including Rs.4,119.07 per share as securities premium) in accordance with the terms of the agreements with the CCD holders.

(All amounts are Rs. in millions, unless otherwise stated)

Note (b) the Board of Directors at their meeting held on 11 September 2023 and shareholders of the Company at their meeting held on 12 September 2023 have approved stock split of 1 equity share having face value of Rs 10 to 5 equity shares having face value of Rs 2 each. Further the board of directors and shareholders of the Company vide the said meetings have also approved capitalization of the Rs 82.59 Mn reserves of the Company for issuance of bonus shares in proportion of 5 new bonus equity shares of Rs 2 each for every one equity share of Rs 2 each.

iii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The Company had only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	As at 30 June 2023		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	1,466,035	88.75%	1,464,435	88.66%	1,506,800	99.58%	1,506,800	99.58%

As per the records of the Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial interest.

v) Shareholding of promoters

Name of promoter	As at 30 June 2023			31 March 2023		
	No. of Shares	% Holding	% Change during the Period	No. of Shares	% Holding	% Change during the Period
Rakesh Chopdar*	1,466,035	88.75%	0.10%	1,464,435	88.66%	-10.92%

Name of promoter	31 March 2022			As at 31 March 2021		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
Rakesh Chopdar*	1,506,800	99.58%	0.00%	1,506,800	99.58%	0%

* As per board meeting dated 11 September 2023, Mr. Rakesh Chopdar is identified as the only promoter.

vi) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

12 Other equity

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Securities premium (refer note i)	754.60	754.60	2.97	2.97
Retained earnings (refer note ii)	1,305.56	1,231.52	1,146.79	891.22
Capital Redemption Reserve (refer note iii)	39.00	39.00	39.00	-
Other comprehensive income (refer note iv)	(1.39)	(1.76)	(3.82)	(0.40)
Total other equity	**2,097.77**	**2,023.36**	**1,184.94**	**893.79**

i) Securities premium*	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the period/year	754.60	2.97	2.97	2.97
Add: Security premium from issue of equity shares	-	751.63	-	-
Balance at the end of the period/year	**754.60**	**754.60**	**2.97**	**2.97**

* Securities premium is used to record the premium on issue of shares to be utilized in accordance with the Act.

(All amounts are Rs. in millions, unless otherwise stated)

ii) Retained earnings	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the period/year	1,231.52	1,146.79	891.22	774.78
Add: Adjustments on account of transition to Ind AS	-	-	-	1.44
Add: Profit for the period/year	74.04	84.73	294.57	115.00
Less: Transfer to Capital Redemption Reserve	-	-	(39.00)	-
Balance at the end of the period/year	**1,305.56**	**1,231.52**	**1,146.79**	**891.22**

*iii) Capital Redemption Reserve^*	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the period/year	39.00	39.00	-	-
Add: Transfer from retained earnings	-	-	39.00	-
Balance at the end of the period/year	**39.00**	**39.00**	**39.00**	**-**

^It represents an amount equal to the nominal value of the preference shares redeemed, transferred from retained earnings at the time of redemption of preference shares to the capital redemption reserve. The reserve will be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

iv) Other comprehensive income (OCI)	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Other items of OCI				
Remeasurement of defined benefit obligations (liability net of tax)#				
Balance at the beginning of the period/year	(1.76)	(3.82)	(0.40)	-
Add: Changes during the period/year	0.52	2.90	(4.83)	(0.57)
Tax effect on Other comprehensive Income	(0.15)	(0.84)	1.41	0.17
Balance at the end of the period/year	**(1.39)**	**(1.76)**	**(3.82)**	**(0.40)**

#Actuarial valuation reserve comprises the cumulative net gains / losses on actuarial valuation of post-employment obligations.

13 Long Term Borrowings (at amortised cost)

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Secured				
Nil (31 March 2023 :Nil, 31 March 2022 :Nil, 31 March 2021 :390,000) 8% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each #	-	-	-	39.00
Optionally Convertible Debentures (refer note (iv))	-	-	424.72	-
Compulsorily Convertible Debentures(refer note (iii) & (iv))	1,680.75	1,648.07	183.91	-
Term loans				
- from Bank (refer note (i))	612.30	661.37	652.46	451.35
- from others (refer note (ii))	104.51	114.32	148.81	53.76
Vehicle loans	23.38	23.25	15.21	16.70
Unsecured				
Loan from Related parties (refer note (v))	4.82	5.82	8.66	17.92
Less : Current maturities of long term borrowings	(235.55)	(244.22)	(208.24)	(164.13)
Total	**2,190.21**	**2,208.61**	**1,225.53**	**414.60**

 # Rights, preferences and restrictions attached to Preference shares of Rs. 10 each, fully paid up:

The Company has issue 3,90,000 at the face value of Rs. 100/- each amounting to Rs. 39.00 Millions. The preference shares are 8% Non-Cumulative,
Non- Convertible and Non-Participative. These were issued between FY 2013-14 and FY 2014-15.

i) Terms of Long Term Loan from Consortium Banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))

(All amounts are Rs. in millions, unless otherwise stated)

The company has taken the Term loan under consortium arrangement which is lead by UBI and has IndusInd and ICICI Bank as other members. Company has converted the Rupee Term loan into FCTL (Foreign Currency Term Loan).

The Primary Security for the loans are;

1) First Pari-passu charge by way of Hypothecation on entire current assets of the company (Present & Future) and

2) First Pari-passu charge by way of Hypothecation on entire fixed assets of the company (Present & Future)

The collateral Security for the loan are;

1) First Pari-passu charge on the, Industrial land admeasuring 5,178.80 square yards along with building at plot no. 90/C, Phase 1, IDA Jeedimetla, Hyderabad, Telangana in the name of Swastik Coaters Pvt Ltd.

2) First Pari-passu charge on the, Industrial land admeasuring 5,392 square yards along with building at plot no. 90/D, Phase 1, IDA Jeedimetla, Hyderabad, Telangana in the name of M/s Rouland Chemicals Pvt Ltd.

3) First Pari-passu charge on the, Industrial land admeasuring 8,831 Sq. yards along with building, located at plot no. 17/B, Phase III, Industrial Park, Sy.No.163 & 164, APIIC IALA, Pashamylaram, Patancheru, Medak, Telangana in the name of Azad Engineering Private Limited

The loan is secured by Personal guarantee of Mr. Rakesh Chopdar and Mrs. Jyoti Chopdar.

The loan is secured by Corporate guarantee of Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd

ii) Terms of Long Term Loan from Tata Capital Financial Services Limited

The company has taken the Equipment Finance Loan and it is outside the consortium arrangement and the same is used for buying of specific Plant & Machinery and these are secured by exclusive charge by way of Hypothecation of machinery purchased / to be purchased out of fund.

The loan is secured by Personal guarantee of Mr. Rakesh Chopdar and Mrs. Jyoti Chopdar

iii) Terms of Compulsorily convertible debentures -Piramal Trusteeship Private Limited (Piramal)

The company has raised the CCD (Compulsorily Convertible Debenture) from Piramal Structured Credit Opportunities Fund. The investment amount is Rs 1,600 Million and company has issued 1,600 fully paid –up Compulsorily Convertible Debenture.

The CCD carries the coupon of 10% per annum payable monthly, which shall increase to 14% post expiry of 36 months, and then increase by 2% at the beginning of each calendar quarter up to 20% till conversion of the CCDs.

The instrument has life of 7 years with Put & Call option and minimum assured IRR is 18% or MOIC of 1.35x. There is upside sharing with the company if Piramal make IRR greater than 22%. The CCD will be converted into equity base on pre agreed EV/EBITDA of 18 times – FY 23 net of debt.

The CCD's are secured by

1) 51% share pledge of all the present and future shares outstanding of the Issuer, (on a fully diluted basis, present and future and in dematerialised form) shall be required.

2) Non-Disposable Undertaking ("NDU") and Non-encumbrance over the balance shares present and future on a fully diluted basis and POA

3) First charge on all machinery purchased from the proceeds of the Instrument (to the tune of Rs 400 Mn) and

4) Second Charge on security given to Consortium Bank

And these are secured by Personal Guarantee of Mr. Rakesh Chopdar.

iv) Terms of Compulsorily convertible debentures/Optionally convertible debentures-DMI Finance Private Limited

DMI finance has subscribed to Rs 180.00 million of CCDs and Rs 420.00 million of OCDs issued in Jul'21/Aug'21 having a coupon rat e o f 10% (to be increased by 2% every quarter after 36 months subject to a maximum of 20%) and 14% p.a., respectively, for a tenure of 7 years (OCD redemptionhas a principal moratorium of 36 months.

Azad is to provide IRR of 22% and 18% on CCDs and OCDs, respectively, on conversion to equity shares . Alternatively , redemption premium on OCDs range from IRR of 14% to 18% based on EBITDA during the tenure of OCDs. There are prepayment premiums of 25% and 18% on early redemption of OCDs before and after 2 years from issue, respectively.

Azad also has a put option on the CCDs exercisable in specified tranches over the 3rd to 5th year at an IRR of 18% or market value (whichever is higher)

51% of promoter shares is pledged along with non-disposable rights on remaining shares in favour of DMI. There is hard collateral to the tune of `1x

v) Unsecured loan from related parties are interest free and are repayable on demand.

14 Short-term borrowings

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Secured				
Working Capital Loans (refer below note)	828.60	553.18	538.03	298.40
Current maturities of long term borrowings (refer note : 13)	235.55	244.22	208.24	164.13
	1,064.15	**797.40**	**746.27**	**462.53**

(All amounts are Rs. in millions, unless otherwise stated)

Details of terms and security in respect of the short-term borrowings:

The Company has taken the Working Capital Loan under consortium arrangement which is lead by UBI and has IndusInd and ICICI Bank as other members. The company has taken PCFC (Packing Credit Foreign Currency) for funding of working capital requirement

The Primary Security for the loans are;

1) First Pari-passu charge by way of Hypothecation on entire current assets of the company (Present & Future) and

2) First Pari-passu charge by way of Hypothecation on entire fixed assets of the company (Present & Future)

The collateral Security for the loan are 1) First Pari-passu charge on the, Industrial land admeasuring 5,178.80 square yards along with building at plot no. 90/C, Phase 1, IDA Jeedimetla, Hyderabad, Telangana in the name of Swastik Coaters Pvt Ltd. 2) First Pari-passu charge on the, Industrial land admeasuring 5,392 square yards along with building at plot no. 90/D, Phase 1, IDA Jeedimetla, Hyderabad, Telangana in the name of M/s
Rouland Chemicals Pvt Ltd. 3) First Pari-passu charge on the, Industrial land admeasuring 8831 Sq. yards along with building, located at plot no. 17/B, Phase III, Industrial Park, Sy.No.163 & 164, APIIC IALA, Pashamylaram, Patancheru, Medak, Telangana in the name of Azad Engineering Private Limited.

The loan is secured by Personal guarantee of Mr. Rakesh Chopdar and Mrs. Jyoti Chopdar.

The loan is secured by Corporate guarantee of Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd

15	Trade payables	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Trade payables				
	- Total outstanding dues of micro and small enterprises (refer note : 33)	20.52	25.34	32.50	26.22
	- Total outstanding dues of creditors other than micro and small enterprises	339.49	450.01	392.95	346.83
		360.01	**475.35**	**425.45**	**373.05**

Trade payables are non-interest bearing and are normally settled in 30-90 days terms.

Trade payables ageing schedule as at 30 June 2023

Particulars		Outstanding for following periods from due date of payment				
	Payables Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	16.19	4.33	-	-	-	20.52
(ii) Others	239.43	95.67	4.34	0.05	-	339.49
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	255.62	**100.00**	**4.34**	**0.05**	**-**	**360.01**

Trade payables ageing schedule as at 31 March 2023

Particulars		Outstanding for following periods from due date of payment				
	Payables Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.44	12.36	0.54	-	-	25.34
(ii) Others	280.83	160.01	9.12	0.05	-	450.01
(iii) Disputed Dues - MSME		-	-	-	-	-
(iv) Disputed Dues - Others		-	-	-	-	-
(v) Unbilled dues		-	-	-	-	-
	293.27	**172.37**	**9.66**	**0.05**	**-**	**475.35**

Trade payables ageing schedule as at 31 March 2022

Particulars		Outstanding for following periods from due date of payment				
	Payables Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	10.46	22.04	-	-	-	32.50
(ii) Others	135.50	243.73	1.04	3.81	8.87	392.95
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others		-	-	-	-	-
(v) Unbilled dues		-	-	-	-	-
	145.95	**265.77**	**1.04**	**3.81**	**8.87**	**425.45**

(All amounts are Rs. in millions, unless otherwise stated)

Trade payables ageing schedule as at 31 March 2021

Particulars	Payables Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	13.42	12.80	-	-	-	26.22
(ii) Others	190.54	142.63	4.08	9.58	-	346.83
(iii) Disputed Dues - MSME		-	-	-	-	-
(iv) Disputed Dues - Others		-	-	-	-	-
(v) Unbilled dues		-	-	-	-	-
	203.96	**155.43**	**4.08**	**9.58**	**-**	**373.05**

16 Provisions

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
i. Provision for Gratuity (Refer Note 34)				
Non-Current	26.80	25.64	22.52	14.08
Current	2.59	2.46	2.02	1.33
ii. Provision for Compensated absences				
Non-Current	-	-	-	-
Current	0.59	0.28	0.33	-
Provision for expense	23.33	19.66	8.46	5.18
	53.31	**48.04**	**33.33**	**20.59**
Non-Current	26.80	25.64	22.52	14.08
Current	26.51	22.40	10.81	6.51

17 Deferred tax Liabilities (net)*

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
On property, plant and equipment	216.57	203.25	129.22	106.01
On provision for employee benefits	(9.32)	(9.00)	(8.82)	(4.66)
On borrowings	(20.03)	(11.22)	(0.75)	(1.40)
On MAT Credit Entitlement	(25.74)	(25.74)	-	-
On receivables credit impaired	(4.73)	(4.37)	(2.98)	(2.30)
On provision for others	(0.32)	(0.34)	(0.34)	-
On unabsorbed depreciation and business losses	-	(16.71)	-	-
	156.43	**135.87**	**116.33**	**97.65**

*Refer note: 37

18 Other Financial Liabilities

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Salaries Payable	42.41	41.93	39.69	23.81
Interest accrued on MSME creditors	3.61	3.04	-	-
Interest accrued but not due on borrowings	1.98	0.71	4.02	-
Provision for Bonus	19.13	14.36	11.60	5.22
Capital creditors	13.50	24.32	63.79	46.76
Others*	39.00	39.00	39.00	-
	119.63	**123.36**	**158.10**	**75.79**

* Includes payable amounting to Rs 39.00 Mn to preference share holders which is deposited in separate bank account(refer note 9b)

19 Other Current liabilities

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Statutory due payable	8.39	15.02	24.99	32.04
Advance from Customers	16.51	16.51	19.90	132.94
Liability Towards CSR	6.58	5.81	8.31	3.05
Others Payables	0.42	1.30	0.75	0.22
	31.90	**38.64**	**53.95**	**168.25**

(All amounts are Rs. in millions, unless otherwise stated)

20 Current tax liabilities (Net)

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current tax payable	171.79	151.48	125.82	41.49
Current Tax Assets				
Advance tax including self assessment tax	(123.15)	(123.15)	(39.14)	-
TDS and TCS receivable	(5.12)	(3.40)	(2.50)	(2.42)
	43.52	**24.93**	**84.18**	**39.07**

21

Revenue from operations	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from contracts with customers (Refer Note 38)				
Sale of products	569.40	1,478.89	1,171.39	739.90
Sale of services	165.64	937.26	682.09	441.68
Other Operating revenue				
- Scrap sales	20.10	96.90	78.38	26.37
- Export Incentives	3.96	3.70	12.81	19.26
	759.10	**2,516.75**	**1,944.67**	**1,227.21**

22

Other income	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on foreign exchange transactions and translations	-	60.11	-	10.95
Interest Income				
- on Fixed deposits	1.04	26.73	7.75	10.89
- Financial Assets at amortised cost	0.10	0.37	0.16	-
Liabilities no longer required written back	-	-	24.44	-
Gain on derecognition of financial liabilities	-	9.58	-	-
Gain on sale of investment in subsidiary	-	-	14.42	-
Miscellaneous income	0.33	1.67	1.19	1.25
	1.47	**98.46**	**47.96**	**23.09**

23

	Cost of Materials Consumed	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
23(a)	Opening Stock of Raw material	252.33	204.09	163.00	115.28
	Add: Purchases	186.04	543.46	417.19	269.93
	Less: Closing Stock of Raw material	(321.20)	(252.33)	(204.09)	(163.00)
		117.17	**495.22**	**376.10**	**222.21**
23(b)	**Changes in Inventories**	**For the Period ended 30 June 2023**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Inventory at the beginning of the year				
	Work in progress	399.93	280.10	106.30	47.80
	Finished goods	65.03	20.30	25.62	-
	Scrap inventory	29.15	-	-	-
		494.11	**300.40**	**131.92**	**47.80**
	Inventory at the end of the year				
	Work in progress	(456.32)	(399.93)	(280.10)	(106.30)
	Finished goods	(37.35)	(65.03)	(20.30)	(25.62)
	Scrap inventory	(39.79)	(29.15)	-	-
		(533.46)	**(494.11)**	**(300.40)**	**(131.92)**
		(39.35)	**(193.71)**	**(168.48)**	**(84.12)**

(All amounts are Rs. in millions, unless otherwise stated)

24	Employee benefits expense	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Salaries, wages and bonus	140.51	550.50	429.77	310.00
	Contribution to provident and other funds	5.38	18.83	14.65	8.61
	Gratuity and compensated absences expenses(refer note 34)	2.32	8.52	5.49	3.83
	Staff welfare expenses	6.55	14.84	12.80	3.52
		154.76	**592.69**	**462.71**	**325.96**

25	Finance costs	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Interest on Term Loans	15.16	72.25	33.86	19.40
	Interest on Working Capital	11.09	30.22	14.34	15.18
	Interest on Optionally & Compulsorily Convertible Debentures	58.84	148.64	28.23	-
	Premium on redemption of Debentures	-	146.50	-	-
	Exchange differences adjusted to borrowing costs	-	66.10	20.83	8.72
	Bank Charges	0.88	3.09	13.53	0.47
	Interest on delay in payment of taxes	0.09	12.54	8.84	1.32
	Interest on MSME Creditors	0.57	3.04	-	-
	Other Borrowing Costs	14.62	41.44	16.53	8.45
		101.25	**523.82**	**136.16**	**53.54**

26	Depreciation expense	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Depreciation of tangible assets (Refer Note 3)	47.70	165.83	133.14	88.73
		47.70	**165.83**	**133.14**	**88.73**

27	Other expenses	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Stores and Spares consumed	30.92	99.90	85.76	49.62
	Job work charges	50.99	175.65	158.70	110.39
	Tools	65.28	179.52	147.35	106.75
	Repairs and Maintenance :				
	- Machinery	5.55	18.11	6.85	6.42
	- Others	1.46	3.78	2.27	2.38
	Transportation Charges	10.01	65.37	55.84	40.12
	Power and Fuel	37.44	116.21	68.44	57.24
	Inspection and Testing	2.42	5.27	4.92	3.65
	Sales Commission	3.55	12.21	1.79	-
	Business Promotion	1.18	6.34	0.94	2.00
	Communication, broadband and internet expenses	0.36	0.55	1.13	1.14
	Insurance	5.48	20.20	5.54	3.83
	Travelling and Conveyance Expenses	5.04	9.70	4.87	2.47
	Rent	2.56	8.01	5.17	0.55
	Rates and Taxes	14.29	25.71	19.11	18.12
	Loss on foreign exchange transactions and translations other than those considered as finance cost (net)	0.03	-	1.59	-
	Professional & Consultancy fees	3.83	22.22	28.81	34.19
	Printing , Stationary, Postage and Courier	0.80	9.99	0.64	2.24
	Loss due to fire (refer note iii below)	-	31.79	-	-
	Provision for CSR Expenses(Refer Note ii below)	0.77	6.02	5.26	5.33
	Auditors Remuneration (Refer Note i below)	1.55	5.45	1.83	0.55
	Security Charges	2.54	14.00	10.27	7.27
	Outsourced Manpower Cost	13.41	44.16	25.87	15.04
	Provision for credit impaired trade receivable	1.25	4.75	2.37	7.89
	Miscellaneous Expenses	3.66	14.86	6.34	4.43
		264.37	**899.77**	**651.66**	**481.62**

(All amounts are Rs. in millions, unless otherwise stated)

Note (i) Payments to auditors:

The following is the breakup of Auditors remuneration (exclusive of indirect taxes)

Particulars	**For the Period ended 30 June 2023**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
As auditor				
- Statutory audit	-	5.45	1.83	0.55
In other capacity				
- Special Purpose Audit -June 2023	1.55	-	-	-
	1.55	**5.45**	**1.83**	**0.55**

Note (ii) Details of Corporate social responsibility expenditure:

Particulars	**For the Period ended 30 June 2023**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
(i) Gross amount required to be spent by the Company during the period/year	0.77	6.02	5.26	5.33
(ii) Amount approved by the Board to be spent during the period/year	0.77	6.02	5.26	5.33
(iii) Amount spent during the period/year (in cash)				
- construction/ acquisition of any asset	-	-	-	-
- on purpose other than above	-	-	-	2.28
(iv) Shortfall / (Excess) at the end of the period/year	0.77	6.02	5.26	3.05
(v) Total of previous years shortfall	6.02	-	3.05	-
(vi) Details of related party transactions	-	-	-	-
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately	-	-	-	-
Opening provision	5.81	8.31	3.05	-
Addition during the year / period	0.77	6.02	5.26	5.33
Utilisation	-	8.52	-	2.28
Closing provision	6.58	5.81	8.31	3.05

Note (iii) : Loss due to fire

The cost of inventories & net written down value of property plant and equipment damaged during the fire has been recognised as expenditure (net of recoveries).

(All amounts are Rs. in millions, unless otherwise stated)

28 ***Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries***

	As at 30 June 2023		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
A. Parent Company								
Azad Engineering Limited	100.42%	2,123.27	100.42%	2,048.44	100.69%	1208.35	103.58%	941.45
B. Subsidiaries incorporate in India								
Swastik Coaters Pvt Ltd	1.37%	28.96	1.42%	28.96	2.43%	29.11	3.19%	28.99
Agen Metcast Pvt Ltd*	0.00%	-	0.00%	-	0.01%	0.10	-1.55%	-14.11
Rouland Chemicals Pvt Ltd	0.01%	0.21	0.01%	0.21	0.03%	0.42	0.04%	0.33
C. Consolidation adjustments	-1.80%	(38.15)	-1.85%	(37.73)	-3.16%	(37.91)	-5.25%	(47.74)
	100.00%	**2,114.29**	**100.00%**	**2,039.88**	**100.00%**	**1200.07**	**100.00%**	**908.92**

*With effect from 18 June 2021 Agen Metcast Pvt Ltd ceased to be subsidiary of Azad Engineering Ltd due to complete sale of Investment in subsidiary.

	For the period ended 30 June 2023		For the year ended 31 March 2023		For the year ended 31 March 2022		For the year ended 31 March 2021	
	Share in profit/(loss)		Share in profit/(loss)		Share in profit/(loss)		Share in profit/(loss)	
	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount
A. Parent Company								
Azad Engineering Limited	100.01%	74.04	100.71%	85.33	100.02%	294.62	101.06%	116.22
B. Subsidiaries incorporate in India	0.00%	-	0.00%		0.00%		0.00%	
Swastik Coaters Pvt Ltd	0.00%	(0.00)	-0.17%	-0.14	0.03%	0.09	-0.03%	-0.03
Agen Metcast Pvt Ltd*	0.00%	-	0.00%		0.00%		-0.83%	-0.95
Rouland Chemicals Pvt Ltd	-0.01%	(0.00)	-0.24%	-0.21	0.03%	0.10	-0.03%	-0.03
C. Consolidation adjustments	0.00%	-	-0.30%	-0.25	-0.08%	-0.24	-0.18%	-0.21
	100.00%	**74.04**	**100.00%**	**84.73**	**100.00%**	**294.57**	**100.00%**	**115.00**

*With effect from 18 June 2021 Agen Metcast Pvt Ltd ceased to be subsidiary of Azad Engineering Ltd due to complete sale of Investment in subsidiary.

	For the period ended 30 June 2023		For the year ended 31 March 2023		For the year ended 31 March 2022		For the year ended 31 March 2021	
	Share in other comprehensive income		Share in other comprehensive income		Share in other comprehensive income		Share in other comprehensive income	
	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount
A. Parent Company								
Azad Engineering Limited	100.00%	0.37	100.00%	2.06	100.00%	-3.42	100.00%	-0.40
B. Subsidiaries incorporate in India	0.00%		0.00%		0.00%		0.00%	
Swastik Coaters Pvt Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Agen Metcast Pvt Ltd*	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Rouland Chemicals Pvt Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
C. Consolidation adjustments	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	100.00%	**0.37**	**100.00%**	**2.06**	**100.00%**	**(3.42)**	**100.00%**	**(0.40)**

*With effect from 18 June 2021 Agen Metcast Pvt Ltd ceased to be subsidiary of Azad Engineering Ltd due to complete sale of Investment in subsidiary.

(All amounts are Rs. in millions, unless otherwise stated)

29 Contingent liabilities and commitments

(a) Contingent Liabilities:

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Direct Tax	6.82	6.82	-	-
Customs duty	86.24	86.24	71.83	71.83
Bank guarantees	0.50	0.50	0.50	0.24
Others	-	-	226.53	219.71

Direct Tax

For AY 2020-21, A demand of Rs. 6.82 Mn has arisen on account of a disallowance made by assessing officer while completing the assessment vide order dated 24 September 2022 . The Company has preferred and appeal against the said assessment order before the Commissioner of Income Tax (Appeals) and the same is pending. The case is yet to be taken up for hearing and necessary action will be taken as soon as the case is taken up for hearing.

Customs Duty:

All the customs duty notices are pertaining to Advance authorisation/ EPCG authorisation received from DGFT (Director General of Foreign Trade) which were used to import our raw material and Plant and Machinery without payment of Custom Duty.

All advance authorisation is pending with Norms committee of DGFT for finalisation of Standard Input and Output Norms (SION). Once Norms is finalised for above advance authorisation, we will communicate to customs department for closure of above Notice.

All EPCG authorisation is in closure process with regional DGFT office at Hyderabad.

The Company has imported Raw Material and Capital Goods under Advance and EPCG authorization received from DGFT without payment of custom duty for which all export obligations have been fulfilled. The company has received intimation from Customs towards payment of duty amounting to Rs. 86.24 Mn (31 March 2023 : Rs.86.24 Mn, 31 March 2022: Rs 71.83 Mn and 31 March 2021: Rs 71.83 Mn. However due to the norms which are pending for finalization by the authorities, the company has not accepted this claim.

Others:

The Company has placed an order with Hamuel Maschinenbau Gmbh & Co (Supplier) in June 2016 for supply of 14 machines and out of which 4 machines were delivered in Feb 2017. The company has found defect in machinery and requested the supplier to repair the machinery. Supplier has declined the request to repair.

With respect to above dispute with the supplier, an amount of Rs 226.53 Mn as at 31 March 2022 (31 March 2021: Rs 219.71 Mn) has been disclosed as a contingent liability. On the basis of the basis of management assessment, no provision would be required in relation to this disputed matter.

Further on 01 December 2022, the Company and supplier amicably settle the issue and agrees to pay Rs 228.91 Mn and supplier agrees to deliver 12 new HIWIN motors (type number 828342) for A-Axes for machine HSTM 150 S2 and 12 new HIWIN motors (Type number 825556) for C-Axes of machine HSTM 150 S2 free of cost. Also, supplier will deliver a permanent key for their Single Blade software free of charge.

Other disputes if any

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

(b) Capital Commitments

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Unexecuted capital orders to the extent not provided for	600.54	498.26	510.00	138.00

(All amounts are Rs. in millions, unless otherwise stated)

30 Related party disclosures

(a) Names of related parties and related party relationship

Name of the Related Party	**Nature of Relationship**
Subsidiary Companies	Swastik Coaters Pvt Ltd (upto 12/09/2023). Refer Note No 41
	Rouland Chemicals Pvt Ltd (upto 12/09/2023). Refer Note No 41
	Agen Metcast Pvt Ltd (Ceased to be a subsidiary w.e.f 18/06/2021)
	Azad Engineering Pte Ltd
Key Managerial Persons:	Chairman and Chief Executing Officer– Rakesh Chopdar
	Whole Time Director – Jyoti Chopdar
	Whole Time Director - Vishnu Pramodkumar Malpani (w.e.f 13/09/2023)
	Company Secretary- Ful Kumar Gautam
	Chief Financial Officer - Ronak Jajoo (w.e.f 14/09/2023)
Relatives of KMPs	Relatives of KMPs - Kartik Chopdar
	Relatives of KMPs - Satwik Chopdar
Entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence	Forgen Power Parts Private Limited
	Azad Synergies Private Limited (up to 30/09/2022)
	Radhe Creations Private Limited
	Atlas Fasteners
	Azad F&B Private Limited (w.e.f 28/12/2022)
	OHGO Engineering Private Limited w.e.f 19/09/2012 (formerly known as Ohri Industries Private Limited)
	Agrima Logi Park
	Agen Metcast Private Limited (w.e.f 18/06/2021 till 06/01/2023)

(b) Transactions with KMP's/directors and their relatives

Particulars	**For the period ended 30 June 2023**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
KMP's Remuneration:	**16.26**	**66.49**	**61.75**	**30.32**
Rakesh Chopdar	9.84	45.90	41.12	19.30
Jyoti Chopdar	3.00	12.00	13.87	6.53
Ful Kumar Gautam	0.45	2.22	1.21	0.99
Vishnu Pramodkumar Malpani	1.80	4.22	4.22	3.50
Ronak Jajoo	1.17	2.15	1.33	-
KMP's Relative's Remuneration:	**1.02**	**4.21**	**3.92**	**2.40**
Kartik Chopdar	0.90	3.85	3.92	2.40
Satwik Chopdar	0.12	0.36	-	-
Loan taken/(repaid) from/to related parties (Included in long term borrowings)	**(1.00)**	**(2.91)**	**(9.26)**	**7.78**
Rakesh Chopdar	-	-	(4.46)	-
Jyoti Chopdar	(1.00)	(2.91)	(4.80)	7.78
Advances given to employees	-	-	**3.00**	-
Vishnu Pramodkumar Malpani	-	-	1.00	-
Ronak Jajoo	-	-	1.00	-
Ful Kumar Gautam	-	-	1.00	-

(All amounts are Rs. in millions, unless otherwise stated)

(c) Balances with KMP's/directors and their relatives

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Loan from related parties(Included in long term borrowings)	**2.75**	**3.75**	**6.66**	**15.92**
Rakesh Chopdar	-	-	-	4.46
Jyoti Chopdar	2.75	3.75	6.66	11.46
Other current financial liabilities (Salaries payable)	**3.58**	**3.79**	**3.49**	**0.63**
Jyoti Chopdar	3.33	3.53	3.35	0.33
Kartik Chopdar	0.21	0.22	0.14	0.30
Satwik Chopdar	0.04	0.04	-	-
Advances to employees (Included in other current assets)	**3.25**	**3.15**	**3.15**	**-**
Kartik Chopdar	0.15	0.15	0.15	-
Satwik Chopdar	0.10	-	-	-
Vishnu Pramodkumar Malpani	1.00	1.00	1.00	-
Ronak Jajoo	1.00	1.00	1.00	-
Ful Kumar Gautham	1.00	1.00	1.00	-

(d) Transactions with entities over which KMPs/ directors and/or their relatives are able to exercise significant influence

Particulars	For the period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental Income (Included in other income)	**-**	**0.08**	**0.08**	**0.08**
Atlas Fasteners	-	0.08	0.08	0.08
Sale of goods or services	**0.41**	**0.23**	**0.03**	**0.13**
Atlas Fasteners	0.41	0.23	0.03	0.13
Other deposits & Advances (Included in other current assets)	**0.24**	**8.22**	**0.50**	**2.16**
Agen Metcast Pvt Ltd	-	-	0.50	-
Atlas Fasteners	0.24	8.22	-	2.16

(e) Balances with entities over which KMP's/directors and/or their relatives are able to exercise significant influence

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Loan from related party (Included in long term borrowings)	**2.07**	**2.07**	**2.02**	**2.00**
Forgen Power Parts Private Limited	2.00	2.00	2.00	2.00
Ashok Gentyala	0.05	0.05	0.02	-
Rakesh Chopdar	0.02	0.02	-	-
Other Non current financial assets	**4.32**	**4.32**	**4.32**	**4.32**
Forgen Power Parts Private Limited (Electricity Deposit)	2.32	2.32	2.32	2.32
Forgen Power Parts Private Limited (Security deposits)	2.00	2.00	2.00	2.00
Other deposits & Advances (Included in other current assets)	**-**	**-**	**9.30**	**-**
Agen Metcast Pvt Ltd.	-	-	9.30	-
Trade receivables	**1.88**	**1.42**	**1.17**	**1.06**
Atlas fasteners	1.88	1.42	1.17	1.06
Advance to suppliers (Included in other current assets)	**8.33**	**7.86**	**-**	**-**
Atlas fasteners	8.33	7.86		-
Trade Payables	-	-	**0.43**	-
Atlas fasteners	-	-	0.43	-

(All amounts are Rs. in millions, unless otherwise stated)

(f) Transactions within the Group: (these transactions got eliminated in Restated Consolidated Summary Statements)*

Particulars	For the period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent Expenses	**0.06**	**0.26**	**0.24**	**-**
Rouland Chemicals Pvt Ltd	0.03	0.13	0.12	-
Swastik Coaters Pvt Ltd	0.03	0.13	0.12	-
Sale of goods or services	**-**	**-**	**-**	**0.21**
Agen Metcast Private Limited	-	-	-	0.21
Transactions by Rouland Chemicals Pvt Ltd	**0.03**	**0.13**	**0.12**	**-**
Rental Income from Parent Company	0.03	0.13	0.12	-
Transactions by Swastik Coaters Pvt Ltd	**0.03**	**0.13**	**0.12**	**-**
Rental Income from Parent Company	0.03	0.13	0.12	-
Transactions by Agen Metcast Private Limited	**-**	**-**	**-**	**0.21**
Purchase of goods from Parent Company	-	-	-	0.21

(g) Amounts due (to)/ from related parties: (these balances got eliminated in Restated Consolidated Summary information)*

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
In the Books of Parent Company:	**5.38**	**5.32**	**5.13**	**14.69**
Advances to Agen Metcast Private Limited	-	-	-	9.80
Security deposites given to Rouland Chemicals Pvt Ltd	4.89	4.89	4.89	4.89
Trade Payables & Provision for Expenses to Rouland Chemicals Pvt Ltd	0.21	0.18	0.12	-
Trade Payables & Provision for Expenses to Swastik Coaters Pvt Ltd	0.28	0.25	0.12	-
In the books of Rouland Chemicals Pvt Ltd	**5.10**	**5.07**	**5.01**	**4.89**
Security deposites received from Parent Company	4.89	4.89	4.89	4.89
Other deposits & Advances	0.21	0.18	0.12	-
In the books of Swastik Coaters Pvt Ltd	**0.28**	**0.25**	**0.12**	**-**
Other Current Assets	0.28	0.25	0.12	-
In the books of Agen Metcast Private Limited	**-**	**-**	**-**	**9.80**
Long Term Borrowing from Parent Company				9.80

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

31 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Earnings				
Profit after tax for the period/year attributable to equity shareholders	74.04	84.73	294.57	115.00
Add: Fair value adjustments towards compulsorily convertible debentures*	42.24	110.55	11.53	-
Profit for the period/years considered for calculation of diluted earnings per share	116.28	195.28	306.10	115.00
Shares				
Original Number of Equity Shares (post share split) #	8,259,130	8,259,130	7,566,000	7,566,000
Add : Impact of Bonus Issue #	41,295,650	41,295,650	37,830,000	37,830,000

(All amounts are Rs. in millions, unless otherwise stated)

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Weighted Average Number of Equity Shares				
For calculating Basic EPS	49,554,780	47,301,690	45,396,000	45,396,000
Effect of dilution:				
- On account of Compulsory Convertible Debentures*	6,476,310	4,116,449	813,510	-
Weighted average number of equity shares for Diluted EPS	56,031,090	51,418,139	46,209,510	45,396,000
Earnings Per Share				
Face Value Rs. 2 per share				
Basic (Rs.)	1.49	1.79	6.49	2.53
Diluted* (Rs.)	1.49	1.79	6.49	2.53

* Compulsorily convertible debentures are considered to be potential equity shares. They have not been included in the determination of diluted earnings per share during financial period/years ended 30 June 2023, 31 March 2023, 31 March 2022 and 31 March 2021 as these were anti-dilutive.

Shareholders have approved the below at Extra-ordinary general meeting held on 12 September 2023: (refer note 41)

a. Share split of one equity share having face value of Rs. 10 each into 5 shares of Rs. 2 each and

b. Issue of fully paid bonus shares of Rs.2 each in proportion of five equity shares for every one existing equity share.

Accordingly, as an adjusting event, the earnings per share has been adjusted for subdivision of shares and bonus shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

32 Segment Reporting

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and OEM components, have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 ‘Operating segment’ and hence, there are no additional disclosures to be provided other than those already provided in the Restated consolidated financial information. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

a. Geographical Segment information:

Revenue from operations	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
With in India	70.74	493.67	426.50	219.88
Outside India	688.36	2,023.08	1,518.17	1,007.33
Total	**759.10**	**2,516.75**	**1,944.67**	**1,227.21**

b. The company has entire non-current assets within India. Hence, separate figures have not been furnished.

c. Revenue from Major Customers

The Company earns revenue from few of its major customers which individually amount to 10 % or more of the company's revenues. Details of such customers. Details of such customers(i.e. the total amount of revenues from each sech customer) are disclosed below:

Revenue from operations	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Customer-1	158.80	829.56	423.85	324.28
Customer-2	124.74	-	-	144.17
Customer-3	101.39	-	-	-
Total	**384.93**	**829.56**	**423.85**	**468.45**

(All amounts are Rs. in millions, unless otherwise stated)

33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small supplies as at end of the period/year				
i) Principal amount remaining unpaid to supplier at the end of the period/ year	20.52	25.34	32.50	26.22
ii) Interest due thereon remaining unpaid to supplier at the end of the period/year	3.61	3.04	-	-
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the period/year	-	-	-	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-	-
v) Interest paid to suppliers under MSMED Act (Section 16)	-	-	-	-
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	3.61	3.04	-	-

34. Employee benefits

a) Defined Contribution Plan

Provident Fund:

Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

b) Defined Benefit Plan

Gratuity:

The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Contribution towards employee provident fund and Others, which is a defined contribution plan for the year aggregated to Rs 5.38 Mn (31 March 2023: Rs 18.83 Mn, 31 March 2022 : Rs. 14.65 Mn and 31 March 2021 : 8.61 Mn).

ii) Defined Benefit Plan

Contribution towards Gratuity for the year aggregated to Rs 2.32 Mn (31 March 2023: 8.52 Mn, 31 March 2022 : 5.49 Mn and 31 March 2021: 3.83 Mn)

(All amounts are Rs. in millions, unless otherwise stated)

d) Amounts recognised in the Financial statements as at period/year end for Gratuity provision are as under:

		As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i)	**Change in Present Value of Obligation**				
	Present value of the obligation at the beginning of the period/year	28.10	24.54	15.41	11.06
	Current Service Cost	1.84	6.80	4.47	3.12
	Interest Cost	0.48	1.72	1.03	0.71
	Actuarial (Gain)/Loss on Obligation- Due to Change in Financial Assumptions	0.11	(3.93)	3.57	0.23
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	-	-	-	-
	Actuarial (Gain) / Loss on Obligation- Due to Experience Adjustments	(0.63)	1.03	1.26	0.34
	Benefits Paid	(0.51)	(2.06)	(1.20)	(0.05)
	Present value of the obligation at the end of the period/year	**29.39**	**28.10**	**24.54**	**15.41**
ii)	**Bifurcation of present value of Benefit obligation**				
	Current- Amount due within one year	2.59	2.46	2.02	1.33
	Non-current- Amount due after one year	26.80	25.64	22.52	14.08
	Total	**29.39**	**28.10**	**24.54**	**15.41**
iii)	**Expected benefit payments in future years**				
	Year 1	2.59	2.46	2.02	1.33
	Year 2	1.87	1.85	1.35	1.07
	Year 3	2.32	2.16	1.51	1.04
	Year 4	2.50	2.45	1.83	1.11
	Year 5	2.26	2.07	2.07	1.34
	Year 6 to Year 10	12.20	11.77	9.78	6.24
iv)	**Sensitivity Analysis**				
	Discount Rate - 1 percent increase	26.89	25.70	22.25	14.08
	Discount Rate - 1 percent decrease	32.32	30.90	27.23	16.98
	Salary Escalation Rate - 1 percent increase	32.22	30.88	27.14	16.97
	Salary Escalation Rate - 1 percent decrease	26.95	25.69	22.27	14.07
v)	**Amounts Recognised in the Balance sheet:**				
	Present value of Obligation at the end of the period/year	29.39	28.10	24.54	15.41
	Fair value of Plan Assets at the end of the period/year	-	-	-	-
	Net Liability recognised in the Balance Sheet	**29.39**	**28.10**	**24.54**	**15.41**
vi)	**Amounts Recognised in the Statement of Profit and Loss:**				
	Current Service Cost	1.84	6.80	4.46	3.12
	Net interest on net Defined Liability / (Asset)	0.48	1.72	1.03	0.71
	Expenses recognised in Statement of Profit and Loss	**2.32**	**8.52**	**5.49**	**3.83**
vii)	**Recognised in other comprehensive income for the period/year**				
	Actuarial Gains / (Losses) on Liability	0.52	2.90	(4.83)	(0.57)
	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above	-	-	-	-
	Recognised in other comprehensive income	**0.52**	**2.90**	**(4.83)**	**(0.57)**
viii)	**Actuarial Assumptions**				
	i) Discount Rate Based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees.	7.16%	7.20%	7.32%	6.97%
	ii) Salary Escalation Rate based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the Company.	3.50%	3.50%	5.00%	3.00%
	iii) Retirement Age	58 years	58 years	58 years	58 years
	iv) Attrition Rate	5%	5%	5%	5%
	v) Mortality rate	IALM(2012-14) Ult.	IALM(2012-14) Ult.	IALM(2012-14) Ult.	IALM(2012-14) Ult.

(All amounts are Rs. in millions, unless otherwise stated)

35 Financial instruments

A. Financial instruments by category	Note No.	Fair value level	As at 30 June 2023 Amortized Cost	As at 31 March 2023 Amortized Cost	As at 31 March 2022 Amortized Cost	As at 31 March 2021 Amortized Cost
Financial assets						
Non current						
- Other financial assets	5	Level 2	34.71	33.72	31.15	34.36
Current						
(i) Trade receivables	8	Level 2	1,221.25	1,186.63	746.31	525.75
(ii) Cash and cash equivalents	9	Level 2	353.06	194.06	44.25	17.74
(iii) Bank balances other than (ii) above	9	Level 2	87.75	333.27	132.48	154.11
(iv) Other financial assets	5	Level 2	0.77	0.91	-	12.34
Total financial assets			**1,697.54**	**1,748.59**	**954.19**	**744.30**
Financial liabilities						
Non current						
(i) Borrowings	13	Level 2	2,190.21	2,208.61	1,225.53	414.60
Current						
(i) Borrowings	14	Level 2	1,064.15	797.40	746.27	462.53
(ii) Trade payables	15	Level 2	360.01	475.35	425.45	373.05
(iii) Other financial liabilities	18	Level 2	119.63	123.36	158.10	75.79
Total financial liabilities			**3,734.00**	**3,604.72**	**2,555.35**	**1,325.97**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among level 1, level 2 and Level 3 during the year

B. Financial risk management

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits and bank deposits.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits.
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(All amounts are Rs. in millions, unless otherwise stated)

The risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

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. Credit risk arises principally from the group's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The group does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The group also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The group does not foresee any credit risks on deposits with regulatory authorities.

ii. Trade Receivables

Customer credit risk is managed by each business unit subject to the Group'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 this assessment. Outstanding customer receivables are regularly monitored.

Particulars	**For the Period ended 30 June 2023**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Revenue from Top Customer	158.80	829.56	423.85	324.28
Revenue from Top 5 customers(Other than above customer)	335.26	758.65	642.22	410.79

One customer accounted for more than 20.99% of the revenue for the three month period ended 30 June 2023. One customer accounted for more than 33.01% of the revenue for the year ended 31 March 2023. One customer accounted for more than 21.94% of the revenue for the year 31 March 2022. One customer accounted for more than 26.91% of the revenue for the year ended 31 March 2021.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Allowance for credit losses	**As at 30 June 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance	15.00	10.25	7.89	-
Credit loss added	1.25	4.75	2.36	7.89
Written off during the period/year	-	-	-	-
Reversal during the period/year	-	-	-	-
Closing balance	**16.25**	**15.00**	**10.25**	**7.89**

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

B. 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 approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(All amounts are Rs. in millions, unless otherwise stated)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at 30 June 2023

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,190.21	-	590.21	1,600.00	2,190.21
Short-term borrowings	1,064.15	1,064.15	-	-	1,064.15
Trade payables	360.01	360.01	-	-	360.01
Other financial liabilities	119.63	119.63	-	-	119.63
Total	**3,734.00**	**1,543.79**	**590.21**	**1,600.00**	**3,734.00**

As at 31 March 2023

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,208.61	-	608.61	1,600.00	2,208.61
Short-term borrowings	797.40	797.40	-	-	797.40
Trade payables	475.35	475.35	-	-	475.35
Other financial liabilities	123.36	123.36	-	-	123.36
Total	**3,604.72**	**1,396.11**	**608.61**	**1,600.00**	**3,604.72**

As at 31 March 2022

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	1,225.53	-	1,225.53	-	1,225.53
Short-term borrowings	746.27	746.27	-	-	746.27
Trade payables	425.45	425.45	-	-	425.45
Other financial liabilities	158.10	158.10	-	-	158.10
Total	**2,555.35**	**1,329.82**	**1,225.53**	**-**	**2,555.35**

As at 31 March 2021

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	414.60	-	414.60	-	414.60
Short-term borrowings	462.53	462.53	-	-	462.53
Trade payables	373.05	373.05	-	-	373.05
Other financial liabilities	75.79	75.79	-	-	75.79
Total	**1,325.97**	**911.37**	**414.60**	**-**	**1,325.97**

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

C. 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 market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(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 group exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest rate risk

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	1,545.41	1,328.87	1,339.30	803.51
Fixed rate borrowings	1,704.13	1,671.32	623.84	16.70

(All amounts are Rs. in millions, unless otherwise stated)

Interest rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Sensitivity				
1% increase in variable rate	(15.45)	(13.29)	(13.39)	(8.04)
1% decrease in variable rate	15.45	13.29	13.39	8.04

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The following table demonstrates the sensitivity to a reasonably possible change in the USD/EUR exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Amount in USD	Equivalent amount in Rs for USD	Amount in EURO	Equivalent amount in Rs for EURO	Amount in Others	Equivalent amount in Rs for JPY
30 June 2023						
Trade Receivable	10.71	878.98	2.25	200.70	-	-
Trade Payable including capital creditors	0.16	13.34	-	-	0.01	0.72
Borrowings	12.59	1,032.98	-	-	-	-
31 March 2023						
Trade Receivable	9.26	760.32	1.70	151.99	-	-
Trade Payable including capital creditors	0.15	12.59	-	-	0.00	0.02
Borrowings	11.73	963.19	-	-	-	-
31 March 2022						
Trade Receivable	5.77	437.63	1.66	140.46	-	-
Trade Payable including capital creditors	0.04	3.36	0.14	11.53	0.01	0.82
Borrowings	10.56	800.76	1.41	119.46	-	-
31 March 2021						
Trade Receivable	3.58	263.12	0.99	85.45	-	-
Trade Payable including capital creditors	0.21	15.53	0.13	11.62	0.05	3.06
Borrowings	8.63	633.51	1.25	107.52	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
30 June 2023					
	USD	(8.37)	8.37	(6.26)	6.26
	EURO	10.04	(10.04)	7.51	(7.51)
	JPY	(0.04)	0.04	(0.03)	0.03
31 March 2023					
	USD	(10.77)	10.77	(7.64)	7.64
	EURO	7.60	(7.60)	5.39	(5.39)
	JPY	(0.00)	0.00	(0.00)	0.00

(All amounts are Rs. in millions, unless otherwise stated)

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2022					
	USD	(18.32)	18.32	(12.99)	12.99
	EURO	0.47	(0.47)	0.34	(0.34)
	JPY	(0.04)	0.04	(0.03)	0.03
31 March 2021					
	USD	(19.30)	19.30	(13.68)	13.68
	EURO	(1.68)	1.68	(1.19)	1.19
	JPY	(0.15)	0.15	(0.11)	0.11

36 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximize the shareholder value and to ensure the group's ability to continue as a going concern.

The group has not distributed any dividend to its shareholders. The group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Compulsory Convertible Debentures and current borrowing from banks and financial institutions. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total Debt (Refer note 13 and 14)	3,254.36	3,006.01	1,971.80	877.13
Less : cash and cash equivalents and bank balances	440.81	527.33	176.73	171.85
Adjusted net debt	2,813.55	2,478.68	1,795.07	705.28
Total equity	**2,114.29**	**2,039.88**	**1,200.07**	**908.92**
Gearing Ratio	**0.57**	**0.55**	**0.60**	**0.44**

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period/years ended 30 June 2023, 31 March 2023, 31 March 2022 and 31 March 2021.

(All amounts are Rs. in millions, unless otherwise stated)

37 Income Taxes

Components of Income Tax Expense

	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Tax expense recognised in the Statement of Profit and Loss				
A. Current Tax				
Current period/year	20.22	25.74	86.68	41.49
Tax pertaining to earlier years	-	2.42	-	-
Total (A)	**20.22**	**28.16**	**86.68**	**41.49**
B. Deferred Tax				
Origination and reversal of temporary differences	20.41	18.70	20.09	5.87
Total (B)	**20.41**	**18.70**	**20.09**	**5.87**
Total (A+B)	**40.63**	**46.86**	**106.77**	**47.36**
C. Tax on Other Comprehensive Income				
Deferred tax				
Origination and reversal of temporary differences - OCI	(0.15)	(0.84)	1.41	0.17
Total	**(0.15)**	**(0.84)**	**1.41**	**0.17**

Current tax (assets) / liabilities (net)

	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
D. Advance tax Including TDS receivable and Self assessment tax paid	(128.27)	(126.55)	(41.64)	(2.42)
E. Provision for tax	171.79	151.48	125.82	41.49
	43.52	**24.93**	**(84.18)**	**39.07**

F. Reconciliation of tax expense and the Accounting Profit

	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before income taxes	114.67	131.59	401.34	162.36
Indian statutory income tax rate	29.12%	29.12%	29.12%	29.12%
Expected Income Tax Expense	33.00	38.00	117.00	47.00
Tax effect of expenditure disallowed under income tax	0.22	9.18	(5.73)	(6.98)
Tax effect of change in the income tax rate	13.55	-	-	-
Others	(6.14)	(0.32)	(4.50)	7.34
Total income tax expense	**40.63**	**46.86**	**106.77**	**47.36**

Movement during the period ended 30 June 2023	As at 1 April 2023	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/charge in OCI	As at 30 June 2023
Deferred tax (assets)/Liabilities				
On property, plant and equipment	203.25	13.32	-	216.57
On provision for employee benefits	(9.00)	(0.47)	0.15	(9.32)
Receivables credit impaired	(4.37)	(0.36)	-	(4.73)
Borrowings	(11.22)	(8.81)	-	(20.03)
MAT Credit Entitlement	(25.74)	-	-	(25.74)
On unabsorbed depreciation and business losses	(16.71)	16.71	-	-
Others	(0.34)	0.02	-	(0.32)
Total	**135.87**	**20.41**	**0.15**	**156.43**

(All amounts are Rs. in millions, unless otherwise stated)

Movement during the year ended 31 March 2023	**As at 1 April 2022**	**(Credit)/ charge in the Statement of Profit and Loss**	**(Credit)/charge in OCI**	**As at 31 March 2023**
Deferred tax (assets)/Liabilities				
On property, plant and equipment	129.22	74.03	-	203.25
On provision for employee benefits	(8.82)	(1.02)	0.84	(9.00)
Receivables credit impaired	(2.98)	(1.39)	-	(4.37)
Borrowings	(0.75)	(10.47)	-	(11.22)
MAT Credit Entitlement	-	(25.74)	-	(25.74)
On unabsorbed depreciation and business losses	-	(16.71)	-	(16.71)
Others	(0.34)	-	-	(0.34)
Total	**116.33**	**18.70**	**0.84**	**135.87**

Movement during the year ended 31 March 2022	**As at 1 April 2021**	**(Credit)/ charge in the Statement of Profit and Loss**	**(Credit)/charge in OCI**	**As at 31 March 2022**
Deferred tax (assets)/Liabilities				
On Property, plant and equipment	106.01	23.21	-	129.22
On Provision for employee benefits	(4.66)	(2.75)	(1.41)	(8.82)
Provision for doubtful receivables	(2.30)	(0.68)	-	(2.98)
Borrowings	(1.40)	0.65	-	(0.75)
Others	-	(0.34)	-	(0.34)
Total	**97.65**	**20.09**	**(1.41)**	**116.33**

Movement during the year ended 31 March 2021	**As at 1 April 2020**	**(Credit)/ charge in the Statement of Profit and Loss**	**(Credit)/charge in OCI**	**As at 31 March 2021**
Deferred tax (assets)/Liabilities				
On Property, plant and equipment	87.65	18.36	-	106.01
On Provision for employee benefits	3.22	(7.71)	(0.17)	(4.66)
Provision for doubtful receivables	-	(2.30)	-	(2.30)
Borrowings	-	(1.40)	-	(1.40)
Others	1.08	(1.08)	-	-
Total	**91.95**	**5.87**	**(0.17)**	**97.65**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(All amounts are Rs. in millions, unless otherwise stated)

38 Revenue from operations

Revenue from contract with customers

Particulars	For the Period ended 30 June 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from Sale of products	569.40	1,478.89	1,171.39	739.90
Income from Sale of services	165.64	937.26	682.09	441.68
Other Operating revenue including export incentives	24.06	100.60	91.19	45.63
	759.10	**2,516.75**	**1,944.67**	**1,227.21**
Disaggregated revenue information **Geographic Revenue**				
Revenue from contract with customers				
With in India	70.74	493.67	426.50	214.64
Outside India	688.36	2,023.08	1,518.17	1,012.57
	759.10	**2,516.75**	**1,944.67**	**1,227.21**
Timing of revenue recognition				
Services transferred at a point of time	165.64	937.26	682.09	441.68
Goods transferred at a point of time	593.46	1,579.49	1,262.58	785.53
Total revenue from contracts with customers	**759.10**	**2,516.75**	**1,944.67**	**1,227.21**

Reconciliation of revenue recognised with the contracted price is as follows:

Contract price	759.10	2516.75	1944.67	1227.21
Less: Discounts and disallowances	-	-	-	-
Total revenue from contracts with customers	**759.10**	**2,516.75**	**1,944.67**	**1,227.21**

Contract balances

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Trade receivables (Refer Note 8)	1,221.25	1,186.63	746.31	525.75

Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of Job work services is satisfied at point of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of the job work and acceptance of the customer.

39 Quarterly Stock statements are filed with Bank which are not in agreement with the books of accounts. Details of the same are as below:

For the period	30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
Particulars	**as per books**				
Inventory	950.12	860.63	654.98	614.02	561.70
Trade receivables	1,221.25	1,186.63	970.93	917.18	846.71
Trade payables net of advances	43.13	252.63	264.46	307.15	446.29
Sales	755.14	2,513.05	1,648.68	1,054.49	501.21

For the period	30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
Particulars	**As per Statements Submitted to Bank**				
Inventory	950.12	860.63	654.98	614.02	561.70
Trade receivables	1,221.25	1,186.63	970.93	917.18	846.71
Trade payables net of advances	43.13	252.63	264.46	307.15	446.29
Sales	755.14	2,513.05	1,648.68	1,054.49	501.21

(All amounts are Rs. in millions, unless otherwise stated)

For the period	**30 June 2023**	**31 March 2023**	**31 December 2022**	**30 September 2022**	**30 June 2022**	
Particulars	**Variances**					**Reason for variance**
Inventory	-	-	-	-	-	Not applicable
Trade receivables	-	-	-	-	-	Not applicable
Trade payables net of advances	-	-	-	-	-	Not applicable
Sales	-	-	-	-	-	Not applicable

For the period	**31 March 2022**	**31 December 2021**	**30 September 2021**	**30 June 2021**
Particulars	**as per books**			
Inventory	573.75	567.03	540.68	490.16
Trade receivables	756.56	677.70	530.56	498.92
Trade payables net of advances	275.47	54.56	71.64	135.51
Sales	1,931.87	1,324.65	863.72	392.29

For the period	**31 March 2022**	**31 December 2021**	**30 September 2021**	**30 June 2021**
Particulars	**As per Statements Submitted to Bank**			
Inventory	573.75	567.03	540.68	490.16
Trade receivables	756.56	677.70	530.56	498.92
Trade payables net of advances	275.47	54.56	71.64	135.51
Sales	1,931.87	1,324.65	863.72	392.29

For the period	**31 March 2022**	**31 December 2021**	**30 September 2021**	**30 June 2021**	
Particulars	**As per Statements Submitted to Bank**				**Reason for variance**
Inventory	-	-	-	-	Not applicable
Trade receivables	-	-	-	-	Not applicable
Trade payables net of advances	-	-	-	-	Not applicable
Sales	-	-	-	-	Not applicable

40 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

41 Subsequent Events

i The 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 14 July 2023 and consequently the name of the Company has changed to "Azad Engineering Limited" pursuant to a fresh certificate of incorporation issued by ROC on 05 September 2023.

ii Pursuant to resolution passed by our Board and Shareholders dated 11 September 2023 and 12 September 2023, respectively, each equity shares of face value of Rs 10 each of our Company has been split into five Equity Shares of face value of Rs 2 each. Accordingly, the issued, subscribed and paid up capital of our Company has been sub-divided from 1,651,826 equity shares of face value of Rs 10 each to 8,259,130 Equity Shares of face value of Rs 2 each.

iii Subsequent to period end 30 June 2023, Company has allotted 41,295,650 equity shares of Rs.2 each as bonus shares in proportion of 5 new bonus equity shares of Rs 2 each for every one equity share of Rs 2 each. This has been approved by Board and Shareholders on 11 September 2023 and 12 September 2023, respectively

iv The Company vide its board and share holder meeting dated 14 September 2023 and 15 September 2023 has approved the transfer of the share holding in subsidiaries to Mr. Rakesh Chopdar. Consequently the management is in the process of transfer of 13,150 equity shares and 50,350 equity shares of Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities respectively.

42 a. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d The Group have not traded or invested in Crypto currency or Virtual currency during the financial year.

e The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

h The Group does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date

i The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

j The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.

k There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period

l The Group has neither declared nor paid any dividend during the reporting period

m **Title deeds of Immovable Properties not held in name of the Group**

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 & 4 to the financial statements, are held in the name of the company.

n The group has not revalued its property, plant and equipment during the Financial year from 2020-21 to three months ended 30 June 2023

43 The Code on Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly known as Azad Engineering Private Limited)
(CIN : U74210TG1983PLC004132)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: 22 September 2023

Place: Hyderabad
Date: 22 September 2023

Place: Hyderabad
Date: 22 September 2023

OTHER FINANCIAL INFORMATION

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in million, except as otherwise stated)

Particulars	Three months ended June 30, 2023*	As at/ for the Fiscal ended March 31,		
		2023	2022	2021
Basic earnings per share (in ₹)	1.49	1.79	6.49	2.53
Diluted earnings per share (in ₹)	1.49	1.79	6.49	2.53
Return on Net Worth ratio (%)	3.57	4.23	25.37	12.65
Net Asset Value per Equity Share (in ₹)	41.88	42.30	25.58	20.02
EBITDA	262.15	722.78	622.68	281.54

**Not Annualised*
Notes:
1) Earnings per share = Profit attributable to owners of our Company for the year / Weighted average number of equity shares outstanding during the year.
3) Basic and diluted earnings per share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended), read with the requirements of the SEBI ICDR Regulations.
4) Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.
5) On September 18, 2023, our Company allotted 41,295,650 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Shares.
6) Return on Net Worth (%) = Profit after tax for the period/year divided by total equity excluding capital redemption reserve.
7) Net Worth represents total equity excluding capital redemption reserve.
8) Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.
9) EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.

For reconciliation of non-GAAP measures, see "*Reconciliation of Non-GAAP Measures*" on page 285.

Non-GAAP Financial Measures

This section includes Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance (together, "**Non-GAAP Measures**" and each a "**Non-GAAP Measure**"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Ind AS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Financial Measures included in this Draft Red Herring Prospectus are given below.

Reconciliation of Gross Profit and Gross Profit Margin

(₹ in million, except as otherwise stated)

Particulars	Three months ended June 30,	As at/ for the Fiscal ended March 31,		
	2023	2023	2022	2021
Revenue from operations	759.10	2,516.75	1,944.67	1,227.21
Cost of materials consumed	117.17	495.22	376.10	222.21
Changes in inventories, finished goods and work-in-progress	(39.35)	(193.71)	(168.48)	(84.12)
Gross Profit	681.28	2215.24	1737.05	1089.12
Gross Profit Margin (%)	89.75	88.02	89.32	88.75

Gross Profit is calculated as Revenue from operations minus cost of materials consumed, changes in inventories of finished goods and work-in-progress.
Gross Profit Margin is Gross Profit as a percentage of Revenue from operations.

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBIT

(*₹ in million, except as otherwise stated)*

Particulars	Three months ended June 30*,	As at/ for the Fiscal ended March 31,		
	2023	2023	2022	2021
Profit/(loss) before tax	114.67	131.59	401.34	162.36
Other income	1.47	98.46	47.96	23.09
Finance costs	101.25	523.82	136.16	53.54
Depreciation and amortisation expense	47.70	165.83	133.14	88.73
EBITDA	**262.15**	**722.78**	**622.68**	**281.54**
Adjusted EBITDA				
Loss due to fire	-	31.79	-	-
Fire Restoration Cost	-	26.09	-	-
Fire Insurance - Premium	-	5.15	-	-
Provision for credit impaired trade receivable	1.25	4.75	2.37	7.89
Loss on foreign exchange transactions and translations other than those considered as finance cost (net)	0.03	-	1.59	-
Professional & Consultancy Charges	-	4.87	5.01	21.64
Covid Loss	-	-	-	59.83
Adjusted EBITDA	**263.43**	**795.44**	**631.65**	**370.90**
Adjusted EBITDA %	**34.70%**	**31.61%**	**32.48%**	**30.22%**
(-)Depreciation	47.70	165.83	133.14	88.73
Adjusted EBIT	**215.73**	**629.61**	**498.51**	**282.17**

**Not annualised*

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

Adjusted EBITDA is calculated as EBITDA plus Fire Incident, Fire Restoration Cost, Fire Insurance – Premium, ECL, Foreign Currency, Professional & Consultancy Charges towards Hamuel litigation and Covid Loss.

Adjusted EBITDA Margin is calculated as Adjusted EBITDA as a percentage of revenue from operations.

Adjusted EBIT is calculated as Adjusted EBITDA minus depreciation.

Reconciliation of Adjusted PAT

(*₹ in million, except as otherwise stated)*

Particulars	Three months ended June 30*,	As at/ for the Fiscal ended March 31,		
	2023	2023	2022	2021
Adjusted EBITDA	**263.43**	**795.44**	**631.65**	**370.90**
(-) depreciation, interest and tax	189.58	736.51	376.07	189.63
(+) other income	1.47	98.46	47.96	23.09
(+) Interest on Optionally & Compulsorily Convertible Debentures	58.84	148.64	28.23	-
(+) Premium on redemption of Debentures	-	146.50	-	-
Adjusted PAT	**134.16**	**452.53**	**331.77**	**204.36**
Adjusted PAT %	**17.64**	**17.30**	**16.65**	**16.34**

**Not annualised*

Adjusted PAT is calculated as Adjusted EBITDA minus depreciation, interest and tax plus other income plus OCD/CCD interest and OCD/CCD redemption.

Adjusted PAT % is calculated as Adjusted PAT divided by Total Income.

Reconciliation of Adjusted Capital Employed

(*₹ in million, except as otherwise stated)*

Particulars	Three months ended June 30*,	As at/ for the Fiscal ended March 31,		
	2023	2023	2022	2021
Shareholder Fund	2,114.29	2,039.88	1,200.07	908.92
Long Term Borrowing	2,425.76	2,452.83	1,433.77	578.73
Short Term Borrowing	828.60	553.18	538.03	298.40
Total Capital Employed	**5,368.65**	**5,045.89**	**3,171.87**	**1,786.05**
Adjusted Capital Employed				
C.W.I.P	392.73	379.86	236.56	-
Advances for Capex	538.03	379.9	572.59	3.36
Cash & Bank	440.81	527.33	176.73	171.85
Adjusted Capital Employed	**3,997.08**	**3,758.80**	**2,185.99**	**1,610.84**
Average Adjusted Capital Employed	**3,877.94**	**2,972.40**	**1,898.42**	**-#**
Adjusted ROCE % **	**5.56%***	**21.18%**	**26.26%**	**-#**

** Not annualized.*

*** Adjusted ROCE % = Adjusted EBIT / Adjusted average capital employed.*

 # Not included as the comparative period figures under Ind AS for FY 2020 / as on March 31, 2020 are not available.

Reconciliation of Inventory and Trade Receivable Days

(*₹ in million, except as otherwise stated*)

Particulars	Three months ended June 30*,	As at/ for the Fiscal ended March 31,		
	2023	2023	2022	2021
Total				
Revenue from operations	759.10	2,516.75	1,944.67	1,227.21
Trade Receivables**	1,237.50	1,201.63	756.56	533.64
Inventory	950.12	860.63	573.75	342.88
Inventory Days	108.54*	104.01	86.02	-#
Trade Receivable Days	146.20*	142.00	121.08	-#
Energy, Oil & Gas, Scrap and Others				
Revenue from operations	704.20	2,291.48	1,741.88	1,151.32
Trade Receivables**	1,070.95	1,006.11	637.74	471.24
Inventory	721.96	660.56	435.79	342.88
Inventory Days	89.33*	87.32	81.58	-#
Trade Receivable Days	134.20*	130.92	116.19	-#
Aerospace & Defence				
Revenue from operations	54.91	225.28	202.79	75.90
Trade Receivables**	166.55	195.51	118.82	62.39
Inventory	228.17	200.07	137.96	-
Inventory Days	354.88*	273.85	124.16	-#
Trade Receivable Days	300.04*	254.64	163.08	-#

* *Not annualised*
** *Trade Receivables before giving effect of expected credit loss.*
\# *Not included as the comparative period figures under Ind AS for FY 2020 / as on March 31, 2020 are not available*.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as identified in accordance with the SEBI ICDR Regulations, for the Fiscals ended 2023, 2022 and 2021 ("**Audited Financial Statements**") together with all the annexures, schedules and notes thereto are available on our website at www.azad.in/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of our Company or any entity in which our Shareholders have significant influence or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective investment managers, employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, *i.e.*, Ind AS 24 - Related Party Disclosures, read with the SEBI ICDR Regulations for the Fiscals ended 2023, 2022 and 2021 and three months period ended June 30, 2023 and as reported in the Restated Financial Information, see "*Restated Financial Information – Annexure VII – Notes to Restated INDAS Consolidated Financial Information – Note 32* " on page 272.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2023, on the basis of amounts derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 28, 224, 285 and 292, respectively.

(₹ in million, unless otherwise stated)

Particulars	Pre-Offer as at June 30, 2023	Adjusted for the Offer*
Total borrowings		*Refer to notes below*
Current borrowings [(1)] **(A)**	828.60	
Non-current borrowings (including current maturities) [#] (**B**)	2,425.76	
Total borrowings (C)	**3254.36**	
Total equity		
Equity share capital[$@]	16.52	
Other equity [#]	2,097.77	
Total equity[**] (D)	2,114.29	
Total non-current borrowings (including current maturities of long- term borrowings)/ Total equity (B)/(D)	**1.15**	
Total borrowings/ Total equity (C)/(D)	**1.54**	

Notes:

[#] *These terms carry the same meaning as per Schedule III of the Companies Act.*

[$] *Our Board of Directors pursuant to a resolution dated September 11, 2023 and Shareholders pursuant to a special resolution dated September 12, 2023, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up equity share.*

[@] *Pursuant to a resolution passed by our Board on September 11, 2023 and a resolution passed by the Shareholders on September 12, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.*

[*] *The corresponding adjusted for the 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.*

[**] *Excludes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

[(1)] *Borrowings with original contractual maturity of more than 1 year are classified as long term as per guidance note of Schedule III of Companies Act, 2013. All other borrowings have been classified as short term. Long term borrowings include borrowings from banks and others.*

FINANCIAL INDEBTEDNESS

Our Company has availed credit facilities in the ordinary course of their business for the purposes of meeting working capital and capital expenditure requirements. Our Board is empowered to borrow monies, in accordance with Section 179, Section 180 of the Companies Act and our Articles of Association.

For further details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of Board*" on page 208.

The following table sets forth details of the aggregate outstanding borrowings (except for the PSCOF CCDs) of our Company, as on June 30, 2023.

Category of borrowing	Sanctioned amount as on June 30, 2023 (in ₹ million)	Outstanding amount as on June 30, 2023 (in ₹ million)*
Secured Loans		
Fund Based (A)		
Term loans	1,144.56	670.40
Working capital loan	972.62	828.60
Buyers Credit(1)	47.34	51.23
Vehicle loan	36.43	23.38
Fund Based Total (A)	**2,200.95**	**1,573.61**
Non-Fund Based (B)		
Bank guarantee	15.00	0.50
Non-Fund Based Total (B)	**15.00**	**0.50**
Total (A+B)	**2,215.95**	**1,574.11**

* *As certified by Independent Chartered Accountants, by way of their certificate dated September 29, 2023.*

(1) *The discrepancy between sanctioned amount and outstanding amount is due to changes in foreign currency exchange rates.*

For disclosure of borrowings as on June 30, 2023, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, see "*Financial Information*" beginning on page 289.

Further, we also have an outstanding amount of ₹1,600.00 million in terms of the PSCOF CCDs. For details in relation to the PSCOF CCDs, see *"History and Certain Corporate Matters"* on page 195.

Principal terms of the borrowings availed by our Company:

Brief details of the terms of our various borrowing arrangements are provided below. The details provided below are indicative and there may be similar/ additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company with its lenders, that may require the consent of the relevant lenders, the breach of which may amount to an event of default under various facility documents entered into by our Company, and the same may lead to consequences other than those stated below. 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, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition, cash flows and future prospects*." on page 38.

1. ***Interest:*** Interest rate charged by the lenders for our term loans and working capital loans typically ranges from 7.21% per annum to 13.80% per annum and 7.86% per annum to 10.65% per annum, respectively, The interest rates are primarily linked to the various benchmarks such as the marginal cost lending rate or treasury bills rate or repo rate.

2. ***Tenor:*** The tenor of our Company's working capital facilities is generally mutually agreed between the parties, whereas the tenor of term loans is 45 months to 72 months, with moratorium generally ranging up to 24 months from the day of first disbursement under the facility.

3. ***Security:*** Certain working capital facilities and our term loan, availed by us, are secured. In terms of our borrowings where security needs to be created, we are typically required to create security by way of:

    (a) hypothecation over all existing and future current assets and fixed immovable assets of the Company;

    (b) first charge by equitable mortgage in favour of term lenders on immovable properties;

    (c) second charge of existing security deposit margin for existing loans/lien marked fixed deposit/ lien marked by mutual funds;

    (d) a first *pari passu* charge by way of hypothecation and/or pledge of the current assets; and

    (e) personal guarantees by the Promoter and Jyoti Chopdar, Whole-Time Director of our Company.

4. ***Repayment**:* The working capital facilities are typically repayable on demand in accordance with the facility documents executed by our Company. Each sub-limit has a specific schedule prescribed with provisions of periodic repayments for some of the sub-limits. The term loan facilities are repayable in quarterly instalments in accordance with the facility documents executed by our Company. The schedule of repayment is prescribed for each respective lender in the consortium.

5. ***Prepayment:*** Our Company, in relation to its working capital facilities agrees to give an irrevocable notice of prepayment and pay the prepayment premium to the lenders in accordance with the facility documents executed by our Company. Furthermore, in relation to the term loan facilities, our Company agrees to prepay only with the prior approval of the lenders subject to a prepayment premium.

6. ***Key covenants:***

   Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities. For instance, certain corporate actions for which we require the prior written consent from the relevant lender include *inter alia*:

   (a) entering into any scheme of merger, amalgamation, reconstitution or undertake buyback;

   (b) making any amendments in our Company's constitutional documents;

   (c) engaging in any business or activities other than that our Company is engaged in;

   (d) making any change in Company's capital structure/shareholding pattern or making any change in the Company's ownership/control or management

   (e) disposing its assets other than those as permitted by the bank in writing; and

   (f) to winding up, liquidating or dissolving its affairs or take steps for its voluntary winding up or liquidation or dissolution.

7. ***Events of Default:***

   In terms of the facility documents and sanction letters, the following, among others, constitute as events of default:

   (a) our Company or any other person is in breach of any covenants, conditions or any other terms of the facility documents of the credit facilities;

   (b) default has occurred in the payment of any amount of the credit facilities due and payable on the due dates, whether by acceleration or otherwise;

   (c) if the Company has voluntarily taken any action for its insolvency, winding up or dissolution;

   (d) the security for the facilities is in jeopardy or ceases to have effect;

   (e) if any of the facility documents executed or furnished by or behalf of the Company becomes illegal, invalid, unenforceable or fails or ceases to be in effect or fails or ceases to provide the benefit of the liens, rights, powers, privileges or security interests created by transaction documents;

   (f) if any of the facility documents is assigned or otherwise transferred, amended or terminated, repudiated or revoked, without the approval of the bank;

   (g) if loan is utilized for any purpose other than sanctioned purpose;

   (h) occurrence of cross default;

   (i) occurrence of material adverse change affecting the business or financial position of the Company; and

   (j) if any information, representation and warranty, statement made, or deemed to be made, in or in connection with any facility document is incorrect or misleading in any material respect.

   This is an indicative list and there may be additional instances that may amount to an event of default under the various borrowing arrangements entered into by us

8. ***Consequences of occurrence of events of default:***

   In terms of the facility documents and sanction letters, in case of occurrence of events of default set out above, our lenders may, among others:

   (a) terminate the facilities and/ or declare that the dues and all obligations shall immediately become due and payable;

   (b) declare security created to be enforceable;

(c) take possession of and/or transfer the assets comprised within the security; and

(d) exercise such remedies as may be permitted or available to the lender under law, including RBI guidelines.

This is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

Our Company has obtained written approvals from our lenders, to the extent required under the agreements and facility documents entered into between us and such lenders, respectively, for undertaking the Offer and activities in connection thereto and the same have not been withdrawn as on the date of this Draft Red Herring Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the three months ended June 30, 2023, and the Fiscals ended March 31, 2023, 2022 and 2021. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Information and the sections entitled "Summary of Financial Information" and "Restated Financial Information" on pages 64 and 224, respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 28. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 26. Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Restated Financial Information. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the EY Report (which is a paid report and was commissioned by us solely in connection with the Offer).

Our Fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular Fiscal year are to the 12-month period ended March 31 of that year.

Overview

We are one of the key manufacturers of our qualified product lines supplying to global original equipment manufacturers ("**OEMs**") in the aerospace and defence, energy, and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components (*Source: EY Report*). We manufacture complex and highly engineered precision forged and machined components that are mission and life-critical and hence, some of our products have a "zero parts per million" defects requirement (*Source: EY Report*). Our customers include global OEMs across the aerospace and defence, energy, and oil and gas industries such as General Electric, Honeywell International Inc., Mitsubishi Heavy Industries, Ltd., Siemens Energy, Eaton Aerospace and MAN Energy Solutions SE.

We compete with manufacturers from China, Europe, USA and Japan (*Source: EY Report*). Our components have been supplied to countries such as USA, China, Europe, Middle East, and Japan since our inception. Accordingly, we are a key link in the global supply chain for OEMs (*Source: EY Report*). We increased our revenue from ₹1,240.00 million in Financial Year 2020 to ₹2,516.75 million in Financial Year 2023 (CAGR of 27% between Financial Years 2020 and 2023) with an adjusted EBITDA margin of 31.61% in Financial Year 2023. We are one of the fastest growing manufacturers (in terms of revenue growth for the period between Financial Years 2020 – 2023) with one of the highest EBITDA margins among the key players for machined components for the key industries serviced by us (*Source: EY Report*). Our vision is to revolutionize the global precision manufacturing industry and disrupt the industries in which we operate in with cutting-edge technology while contributing towards India's evolving manufacturing ecosystem.

Our products include 3D rotating airfoil/ blade portions of turbine engines and other critical components for (a) defence and civil aircrafts and spaceships, and (b) gas, nuclear and thermal turbines used in industrial applications or energy generation. The demand for these precision, forged and machined components is driven by requirements relating to aircrafts (commercial and military), energy turbines (industrial, gas, nuclear and coal), amongst others (*Source: EY Report*).

Our Company's aerospace and defence products include airfoils/ blades and components for engines, auxiliary power units ("**APUs**"), hydraulics, actuating systems, flight controls, fuel and inerting sections of commercial and defence aircrafts and spacecrafts, among other defence systems and various critical components for missiles. We have supplied critical components to major commercial aircraft manufacturers such as B737, B737 Max, B747, B777, B777X, A320, A350, A355, A350 XWB, Gulfstream G550 and are currently in discussions for supply of components for new engine platforms to various kinds of aircraft manufacturers (*Source: EY Report*). In the energy industry, our Company produces high-precision rotating and stationary 3D airfoils/ blades, special machined parts and combustion component assemblies for land-based turbines with applications in industrial and energy plants using different fuel types such as nuclear, hydrogen, natural gas and thermal. For the oil and gas industry, we manufacture components of drilling rigs such as drill bits and other critical components that are used in drilling equipment and are part of exploration and production phase.

Our Company has been in operations for 15 years and we have substantial experience as a tier 1 supplier of high precision forged and machined components in the aerospace and defence and energy industries (*Source: EY Report*) with sales in 15 countries in the period between March 31, 2021 and June 30, 2023 in the industries in which we operate . The demand for these products is driven by the orders for these components in either new energy turbines (industrial and gas, nuclear and coal energy plants), or the service market (*Source: EY Report*). The demand for both in turn is driven by energy consumption and growth in energy demand. (*Source: EY Report*).

We believe that we have proved our capability by manufacturing and delivering 3.09 million units between Fiscal 2009 to Fiscal 2023 at an overall level. Most of our revenues are derived from exports to global OEMs, backed by long-term contracts and as of June 30, 2023, 90.68% of our total revenue was from contracts with customers located outside India. For Fiscal 2023, our exports and domestic sales amounted to ₹2,023.08 million and ₹493.67 million, respectively, and private, government sales and export incentives amounted to ₹2,337.05 million, ₹176.00 million and ₹3.70 million, respectively. Our total income has grown at a CAGR of 44.63% from ₹1,250.30 million in Fiscal 2021 to ₹2,615.21 million in Fiscal 2023, while having maintained high CAGR in Adjusted EBITDA of 46.45% between Fiscal Years 2021 and 2023.

We have in-house capabilities and proficiency in engineering, design, tooling, material development coupled with a range of finishing and assembly operations focussed on continuous improvements to our manufacturing and quality processes. We believe our process design capabilities and several years of experience of manufacturing life and mission critical portions of turbine engines enable us to develop high quality and cost-effective solutions for the demanding applications of global OEMs, which differentiates us from our global competitors. We are a technology-driven and innovative company with manufacturing facilities and high-quality products meeting global standards.

The qualification process imposed by OEMs is characterized by a significant entry barrier due to a lengthy and stringent qualification process. The vendors are required to go through separate qualification processes for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps (such as assessment and audit of technical capabilities of the vendor, vendor registration, evaluation and test of the product qualifications). This entire process is time intensive and often takes more than 15 months to qualify as a supplier during which the vendor is evaluated by the OEM. The vendors also need to institute quality and tracking procedures for all products that are supplied which demands a higher order quality control. (*Source: EY Report*). With our substantial experience as a tier 1 supplier of highly complex forged and machined project and life critical components in the aerospace and defence and energy industries (*Source: EY Report*), we are a qualified and established supplier to global OEMs operating in highly regulated industries. We are one of their preferred suppliers, which is evident from the consistent awards, repeat orders and recognition received from our customers. We believe that our manufacturing cost advantage results in high margins while retaining our competitive lead. We have been consistently awarded by our customers as one of the most competitive strategic partners in their supply chain.

The components manufactured by us are critical for the functioning of, *inter alia*, worldwide air travel (military and civil) and, energy applications (nuclear, gas, oil and thermal). Considering that we manufacture life-critical and mission-critical components, the margin for error is zero in our manufacturing process for some of our components, which we adhere to by way of our strong quality control systems. Airfoils/ blades and other products are designed to operate at extreme conditions and require a multi-level safety protocol as such engine products are life critical. Considering that the costs are very high in the aerospace and defence and energy industries given the stringent quality checks and certifications that are required to qualify as a supplier, there are significant entry barriers, which makes finding a manufacturing partner a lengthy process of many years for OEMs (*Source: EY Report*). We believe that it would ideally take 15-20 years for a new player in our industry to reach the position we currently occupy in the market.

Among the addressable markets for our Company, the market for aerospace and defence components was the largest at ₹990 billion in Financial Year 2022 and is expected to go up to ₹1,530 billion by Financial Year 2027 with the highest CAGR of +9% by 2027 (*Source: EY Report*). We supply components to six of the key manufacturers in the aerospace and defence industries (*Source: EY Report*).

The overall global energy turbine components market for application in industrial and energy generation in Financial Year 2022 was ₹283.25 billion and is expected to be ₹282.70 billion by Financial Year 2027 (*Source: EY Report*). There is a high variation in expected CAGR between gas, nuclear and coal turbines with highest CAGR expected for components of nuclear turbines (+8% CAGR by Financial Year 2027) followed by gas turbine (+1% CAGR by Financial Year 2027) (*Source: EY Report*). In Financial Year 2023, we have supplied to customers which control approximately 70% of the gas turbine market (based technology ownership and number of units ordered in first half of Fiscal 2022) globally (*Source: EY Report*). We supply components to five of the key manufacturers in the turbine manufacturing industry (*Source: EY Report*).

The overall market for drill bits in Financial Year 2022 was ₹280 billion which is expected to reach ₹340 billion by Financial Year 2027 with an estimated compounded annual growth of 4% between Financial Years 2022 – 2027 (*Source: EY Report*). The overall market for downhole drilling tools includes market for products such as reamers and this market was estimated to be ₹320 billion in Financial Year 2022 and is expected to reach ₹390 billion by Financial Year 2027 with an estimated compounded annual growth of 4% between Financial Years 2022 – 2027 (*Source: EY Report*). We have supplied components to one of the global manufacturers in the drilling equipment manufacturing industry (*Source: EY Report*).

The overall addressable market across aerospace and defence and energy components for our Company is expected to grow at +7% CAGR from ₹1,280 billion in Financial Year 2022 to ₹1,810 billion in Financial Year 2027 2027 (*Source: EY Report*). Additionally, the addressable market for oilfield drilling components is expected to grow at +4% CAGR by Financial Year 2027 (*Source: EY Report*).

As a strategic and growth partner to customers across highly regulated industries, we enjoy long-term relationships with high customer stickiness and a high percentage of repeat business, which allows us to have long-term contracts, a stable customer base and strong visibility on long term revenue. Further, we believe that our long-term relationships with our clients and a deep understanding of their requirements will assist us in expanding our product offerings into adjacent turbine engine components and assemblies.

We have four advanced manufacturing facilities in Hyderabad, India, capable of producing high precision forged and machined components with a total manufacturing area of approximately 20,000 square metres. Further, we have two manufacturing facilities in the pipeline at (a) Tuniki Bollaram village in Siddipet district, Telangana and (b) Mangampet village, Sangareddy district, Telangana, with a total manufacturing area of 94,898.78 square metres and 74,866.84 square metres, respectively. The construction and development of these proposed manufacturing facilities are intended to be funded from our internal accruals. Our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana is proposed to have dedicated and exclusive manufacturing setups for our customers. We plan to initially introduce this exclusive manufacturing setup for production of critical and complex components such as airfoils/ blades and other special machined parts for gas and thermal turbines for Mitsubishi Heavy Industries, Ltd., one of our long-standing customers.

We have a diversified Board, which is supplemented by our strong professional management team, with relevant experience in the engineering and manufacturing industries. Our Promoter i.e., Rakesh Chopdar has helped expand our operations within India and globally and has been associated with our Company as a director since 2003. We believe our qualified and committed management team also empowers us to seize market prospects, originate and implement business plans, manage customer prospects, and evolve to changing market conditions.

Significant Factors Affecting Our Results of Operations

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial condition and results of operations:

Market and economic conditions

We derive a significant portion of our revenue from sales of complex and high mix, low-to-medium volume highly complex systems, primarily supplying to our clients engaged in the aerospace and defence, energy, and oil and gas industries in India and internationally. The level of demand for our products depends primarily on conditions in these sectors in our target markets which, in turn, depend to a large extent on general economic conditions in these markets. General economic factors that can affect demands in these sectors, and consequently demands for the products that we manufacture, include, among others:

- global and local economic or Fiscal instability;
- global and local Fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money), foreign exchange rates and inflation rates;
- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region;
- cost of raw materials and labour;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies, and environmental policies;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market; and
- global oil prices, which impact the sectors in which our clients operate and consequently our industry

The cyclical nature of general economic conditions and, therefore, of such sectors means that our results of operations can fluctuate substantially from period to period. We expect that these economic factors and conditions in our industry, particularly changes in technologies, customer preferences, government policies and interest rates, will continue to be the important factors affecting our revenues and results of operations. Other factors, such as our competitiveness, quality and pricing, have an effect on our market share and our ability to win customers in competitive situations.

Preserving our long-standing customer relationships

Our company has existing relationships with both Indian and global OEMs. A large proportion of our revenue from operations arises from sales of our products to our customers. As key customers typically have specific requirements, we believe that our continued relationships with these customers plays a significant role in determining our continued success and results of operations. Our ability to develop and deepen our relationships with our customers has accelerated our growth and allowed us to enjoy a position of an industry leading manufacturer of highly engineered complex precision parts and critical components in India. We also focus on assisting customers meet their requirements across the spectrum of their engagement with us, including in terms of cost, productivity, product reliability and low time to market. This, together with our high delivery standards and performance excellence, has enabled us to acquire, service and deepen and lengthen our relationship with diverse range of high-level clients ranging from industry leaders to government undertakings

Our domain expertise in various aspects such as precision engineering, research and development, as well as our adoption of technologically advanced and cost-competitive manufacturing processes have been instrumental in obtaining repeat orders from our key customer group. We have long-term agreements with certain customers ranging from a period of three to ten years, in accordance with such long-term agreements.

The demand for our products from our customers has a significant impact on our results of operations and financial condition. In the event that we lose one or more of our key customers or if the amount of business we receive from them is reduced for any reason or they commence production in India, our cash flows and results of operations may be affected. Our supply arrangements with our customers also require us to meet certain standards and performance obligations and our failure to meet such specifications could result in a reduction of business from them, termination of contracts or additional costs and penalties, all of which may adversely impact our results of operations and financial condition.

Raw material and labour costs

Raw material costs comprise our second largest expense and include purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition constitute the most significant portion of our expenses. Our cost of materials consumed for Fiscals 2021, 2022 and 2023 and the three months ended June 30, 2023 were ₹222.21 million, ₹376.10 million, ₹495.22 million and ₹117.17 million, representing 17.77%, 18.87%, 18.94% and 15.41% of our total income respectively. Cost of materials consumed primarily consists of the cost of raw materials that we consume in the manufacture of our products (our primary raw materials are exotic alloys such as titanium, nimonic and inconel, castings, specialised steel and aluminum.

We primarily purchase raw materials back-to-back and in line with the terms and prices that are agreed with our customers, either from suppliers stipulated by our customers or those suggested by us and approved by our customers.

Prices for these raw materials can be volatile and depend on commodity prices in the markets, which, in turn, depend on changes in global economic conditions, industry cycles, supply-and-demand dynamics, attempts by individual producers to capture market share, and market speculation, among other factors. In addition to market fluctuations, our average raw material prices can be affected by contractual arrangements and hedging strategies, if any. Our suppliers are associated with us through purchase orders, and we do not enter into definite-term agreements with them. See "*Risk Factors – We depend on third party suppliers for raw materials, plant, machinery and components, which are on a purchase order basis. Such suppliers may not perform, or be able to perform their obligations in a timely manner, or at all and any delay, shortage, interruption, reduction in the supply of or volatility in the prices of raw materials raw materials, plant, machinery and components on which we rely may have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects*." on page 34.

While in practice we have passed the increase in the cost of raw materials onto our domestic customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of price increases that occur. Further, an increase in raw material prices may result in increased prices for our customers' products, which may in turn result in decreased demand for their products and, consequently, the components that we supply for their products.

Employee benefits expense comprise our largest expense. In Fiscals 2021, 2022 and 2023 and for the three months ended June 30, 2023, our employee benefit expense represented 26.07%, 23.22%, 22.66% and 20.35% of our total income respectively. These costs consist of (a) salaries, wages, bonus and other allowances, (b) contribution to provident and other funds, (c) staff welfare and other expense, (d) gratuity and compensated absences expense and (e) leave encashment. We seek to improve our operational efficiency by reducing our employee benefit expenses as a percentage of our total incomes, notwithstanding that we are continuing to expand our business and manufacturing facilities. Rising wages in India as well as any change in applicable labour laws, may have a material impact on our costs.

Finance Costs

Finance costs comprise our second largest expense. In Fiscals 2021, 2022 and 2023 and for the three months ended June 30, 2023, our finance costs represented 4.28%, 6.83%, 20.03% and 13.31% of our total income respectively. Our finance costs consist of (a) interest on term loans, (b) interest on working capital, (c) interest on PSCOF CCDs, (d) premium on redemption of DMI OCDs, (e) interest on lease liabilities, (f) bank charges and (g) other borrowing costs. The PSCOF CCDs will be converted into Equity Shares prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations. For further details, see "*Capital Structure – Notes to the Capital Structure – Compulsorily Convertible Debentures*" on page 78.

Operating costs and efficiencies

Given the nature of our business, operating costs and efficiencies are critical to maintaining our competitiveness and profitability. Our profitability is partially dependent on our ability to spread fixed production costs over our production volumes. This vertical integration of our operations has enabled us to streamline our production processes, achieve shorter development and delivery times, exercise greater control over key inputs and processes, enhance quality control and increase supply security. We continually undertake efforts to reduce our costs, such as negotiating discounts, outsourcing non-critical processes, reducing energy usage and rationalising our labour. Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control.

In the industries with high-entry barriers that our customers belong to, adherence to quality standards is crucial since the products are required to be "zero parts per million" compliant and they perform in life-critical and mission-critical challenging environments (*Source: EY Report*). We also incur certain costs in order to ensure that the products that we supply to our customers are of high quality and free of defects. Such costs relate to matters such as capital expenditure, testing and validation, systems deployment and rejection and re-working of products. Any failure to comply with the design specifications of our customers, may lead to cancellations of our contracts and loss of reputation. Quality control therefore is critical to our operations and a failure to prevent the passing down of defects to our customers may make us liable to pay significant damages.

Exchange rates

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Further, a large part of our revenues is derived from sales to customers based outside of India. In three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our revenues from operations to customers based outside of India were ₹ 688.36 million and ₹ 2,023.08 million, ₹ 1,518.17 million and ₹ 1,007.33 million, respectively, which represented 90.51% and 77.36%, 76.19% and 80.57%, respectively of our total income. The exchange rate between the Indian Rupee and the currencies in which we receive payments for such exports, i.e., primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, overseas professional costs, freight and other expenses incurred by us may rise during a sustained depreciation of the Indian Rupee against USD or Euro.

Certain portions of our income and expenses are generated or incurred in other currencies and certain portions of our assets (trade receivables and cash and cash equivalents) and liabilities (trade payables and borrowings) are in other currencies, such as USD and Euro. Therefore, our exchange rate risk primarily arises from currency mismatches between our income and our expenditure which we seek to mitigate by matching income currency to expenditure currency to the extent possible.

We do not have a formal hedging policy and accordingly, may be subject to foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies.

Our Critical Accounting Policies

The significant accounting policies followed by us in the preparation of our Restated Financial Information are set out below.

A. Revenue recognition

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

***i)* Sale of products:**

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. No significant element of financing is deemed present for the sales made with a credit term, which is consistent with market practice. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115.

***ii)* Sale of services:**

The Company renders job work services that are provided separately. The Company recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

***iii)* Export benefits:**

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

iv) **Interest income:**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

v) **Contract Balances:**

Contract Liability:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Trade Receivable:

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (D) Financial instruments – initial recognition and subsequent measurement.

B. Borrowing cost

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

C Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. In general, it is presumed that credit risk has significantly increased if the payment is overdue.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

iv) ***Derecognition of financial assets***

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iii) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Written - off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

E Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable 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 located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land is measured at cost and not depreciated. All other items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets

Useful life table

Category of asset	Useful lives estimated by the management	Useful lives as per Schedule II of Companies Act, 2013
Computer & Data processing units	3	3
Electrical Fittings	10	10
Furniture & fixtures	10	10
Servers & Networks	6	6
Plant & Machinery	15	15
Factory Buildings	30	30
Office equipment	5	5
Motor Vehicles	8	8

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss. Depreciation method, useful lives and residual values are reviewed at each period end and adjusted if appropriate.

iii) Expenditure during construction period:

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

F Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

Raw Materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. These items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

b)Finished Goods and Work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) Provision for inventory

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Tools

Tools used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools, subject to a maximum of 5 years.

G Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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 recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

H Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

The Company is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end.

(ii) Defined benefit plans

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. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and 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

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

***(iii)* Compensated Absences:**

The Compensated absences policy provides employees to convert their unused accrued leave days into monetary compensation. It covers eligibility, types of leave eligible for encashment (earned/annual leave, privilege leave, and other applicable leave), and the maximum encashment limit.

The approval process ensures compliance with the policy, and the payout is calculated based on the employee's basic salary.

It also addresses taxation and deductions, stating that applicable tax laws will be followed, and the company will deduct appropriate taxes at source. The policy reserves the right for the company to amend or revise any part of it at its discretion, and any queries or clarifications regarding the policy's implementation can be addressed to the HR department. Employees acknowledge their agreement to adhere to the provisions of the policy by availing of compensated absences.

I Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset;

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

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

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

J Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which gives future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will be realised.

K Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in financial information since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

L Earnings per share

Basic Earnings Per Share (‘EPS’) is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

M Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

N Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

O Foreign currency transactions and balances

In preparing the financial information of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised 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 at the rates prevailing at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at Rs spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

P Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Company 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 an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

Q Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial information. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

R Recent accounting pronouncements:

MCA notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 as issued from time to time. On June 30, 2023, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Principal Components of our Consolidated Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our consolidated statement of profit and loss.

Our Income

Revenue from operations

Our revenue from operations primarily consists of sale of products – with & without raw materials in scope, and other operating revenue – scrap sales. Sale of services is categorized rendering job work services that are provided separately. The Company recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

The sale of products and sale of services consists of sale of such as 3D rotating airfoil/ blade portions of turbine engine and critical products for combustion, hydraulics, flight controls, propulsion, actuation, which powers defence and civil aircrafts, spaceships, defence missiles, nuclear hydrogen, gas, oil and thermal energy.

Other income

The key components of our other income are: (i) government incentives; (ii) gain on foreign exchange transactions; (iii) interest income; (iv) financial assets at amortised cost; (v) miscellaneous income; (vi) liabilities no longer required written back; (vii) gain on derecognition of financial liabilities; and (viii) gain on sale of investment in subsidiary.

Our Expenses

Our expenses primarily consist of the following:

- *Cost of materials consumed* consists of raw material required for the manufacturing of such as 3D rotating airfoil/ blade portions of turbine engine and critical products for combustion, hydraulics, flight controls, propulsion, actuation;
- *Changes in inventories of finished goods, work-in-progress* consist of work in in progress, finished goods and scrap inventories at the end of the period / Fiscal;
- *Employee benefits expense* consists of director remuneration and incentives, salaries and wages including bonus, contribution to provident and other funds, staff welfare & other expense, gratuity and compensated absences expense and leave encashment;
- *Finance costs* includes interest on term loans, interest on working capital, interest on CCDs, premium on redemption of DMI OCDs, interest on lease liabilities, bank charges and other borrowing costs;
- *Depreciation expenses* comprises of depreciation of tangible assets; and
- *Other expenses* primarily includes stores and spares consumed, job work charges, repairs to machinery, tools, transportation charges, power and fuel, inspection and testing, sales commission, business promotion, office & other repairs & maintenance, telephone charges, insurance, travelling and conveyance expenses, rent, rates and taxes, professional & consultancy fees, printing , stationary, postage and courier, provision for inventories, loss due to fire, provision for CSR expenses, auditors remuneration-statutory audit, security charges, outsourced manpower cost, donations, general expenses, provision for trade receivables, remeasurement of term loans gain/loss and interest on MSME creditors.

Our Tax Expenses

Elements of our tax expense are as follows:

- *Current tax:* Our current tax is the amount of tax payable based on the taxable profit for the year / period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.
- *MAT credit entitlement:* Our MAT credit entitlement is the amount of tax (minimum alternate tax) that is paid by the company as per provisions of section 115JB of the Income Tax Act, 1961 and which company expects to utilize against the future tax liability subject to the applicable provisions of the Act.
- *Tax pertaining to earlier years:* Our tax pertaining to earlier years is the amount of tax liability pertaining to the period prior to the year under consideration but the liability to pay such tax is crystallized during the year under consideration.
- *Deferred tax:* Deferred tax is the tax effect on the temporary difference between taxable profit and book profit arising due to difference in timing of recording of an item in the books of accounts and admissibility or inadmissibility of it in computation of taxable income. Our deferred tax is measured based at the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date. Deferred tax liability is recognized for all the

taxable temporary differences whereas deferred tax asset is recognized to the extent that the company has sufficient taxable profits or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Other Comprehensive Income for the period / year

The other comprehensive income consists of items that will not be reclassified subsequently to the statement of profit and loss which consists of re-measurement gains on defined benefit plans and income tax relating to these items.

Total Comprehensive Income for the period / year)

Total comprehensive income for the period / year consists of profit for the period / year and total other comprehensive income for the period / year.

Our Results of Operations

The following table sets forth a breakdown of our restated results of operations for the three months period ended June 30, 2023, and for the years ended March 31, 2023, 2022 and 2021, and each item as a percentage of our total income for the years indicated:

Particulars	Three months period ended June 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income
Income								
Revenue from operations	759.10	99.81	2,516.75	96.24	1,944.67	97.59	1,227.21	98.15
Other income	1.47	0.19	98.46	3.76	47.96	2.41	23.09	1.85
Total Income	**760.57**	**100.00**	**2,615.21**	**100.00**	**1,992.63**	**100.00**	**1,250.30**	**100.00**
Expenses								
Cost of materials consumed	117.17	15.41	495.22	18.94	376.10	18.87	222.21	17.77
Changes in inventories of finished goods work-in-progress	(39.35)	(5.17)	(193.71)	(7.41)	(168.48)	(8.46)	(84.12)	(6.73)
Employee benefits expense	154.76	20.35	592.69	22.66	462.71	23.22	325.96	26.07
Finance costs	101.25	13.31	523.82	20.03	136.16	6.83	53.54	4.28
Depreciation expense	47.70	6.27	165.83	6.34	133.14	6.68	88.73	7.10
Other expenses	264.37	34.76	899.77	34.41	651.66	32.70	481.62	38.52
Total expenses	**645.90**	**84.92**	**2,483.62**	**94.97**	**1,591.29**	**79.86**	**1,087.94**	**87.01**
Profit before tax for period/ year	**114.67**	**15.08**	**131.59**	**5.03**	**401.34**	**20.14**	**162.36**	**12.99**
Tax expenses:								
Current tax	20.22	2.66	25.74	0.98	86.68	4.35	41.49	3.32
Tax pertaining to earlier years	-	-	2.42	0.09	-	-	-	-
Deferred tax	20.41	2.68	18.70	0.72	20.09	1.01	5.87	0.47
Total tax expense	**40.63**	**5.34**	**46.86**	**1.79**	**106.77**	**5.36**	**47.36**	**3.79**
Profit for the period/year	**74.04**	**9.73**	**84.73**	**3.24**	**294.57**	**14.78**	**115.00**	**9.20**
Other comprehensive income/(loss)		-		-		-		-
A) Items that will not be reclassified to profit and loss		-		-		-		-
Re-measurement gains/(losses) on defined benefit plans	0.52	0.07	2.90	0.11	(4.83)	(0.24)	(0.57)	(0.05)
Income Tax relating to these items	(0.15)	(0.02)	(0.84)	(0.03)	1.41	0.07	0.17	0.01
Other comprehensive income/(loss)	**0.37**	**0.05**	**2.06**	**0.08**	**(3.42)**	**(0.17)**	**(0.40)**	**(0.03)**
Total comprehensive income	**74.41**	**9.78**	**86.79**	**3.32**	**291.15**	**14.61**	**114.60**	**9.17**

Three months period ended June 30, 2023

- *Total income:* Our total income was ₹760.57 million for the three months period ended June 30, 2023.
- *Revenue from operations:* Our revenue from operations from (a) sale of products, (b) sale of services, and (c) other operating revenue – scrap sales was ₹569.40 million, ₹165.64 million and ₹20.10 million, respectively for the three

months period ended June 30, 2023. The sale of products and sale of services consists of sale of such as 3D rotating airfoil/ blade portions of turbine engine and critical products for combustion, hydraulics, flight controls, propulsion, actuation, which powers defence and civil aircrafts, spaceships, defence missiles, nuclear, gas, oil and thermal energy.

- *Other income:* Our other income was ₹1.47 million for the three months period ended June 30, 2023. Other income comprised mainly of gain on foreign exchange transactions and interest income.

- *Total expenses:* Our total expenses were ₹645.90 million for the three months period ended June 30, 2023.

- *Cost of materials consumed:* Our cost of materials consumed totaled ₹117.17 million for the three months period ended June 30, 2023. Cost of materials consumed primarily comprised of raw materials and intermediates, for the manufacture of our products.

- *Changes in inventories of finished goods, work-in-progress:* Changes in inventories of finished goods, work-in-progress was ₹(39.35) million for the three months period ended June 30, 2023.

- *Employee benefits expense*: Our employee benefits expense totaled ₹154.76 million for the three months period ended June 30, 2023. Employee benefits expense primarily comprised of salaries, wages, bonus and other allowances of ₹140.51 million.

- *Finance costs*: Our finance cost totaled ₹101.25 million for the three months period ended June 30, 2023. Our finance costs primarily comprised of interest on CCDs of ₹58.84 million and interest on working capital of ₹11.09 million.

- *Depreciation expense*: Our depreciation expense totaled ₹47.70 million for the three months period ended June 30, 2023. Depreciation primarily comprised of depreciation of tangible assets of ₹47.70 million.

- *Other expenses:* Our other expenses amounted to ₹264.37 million for the three months period ended June 30, 2023, which comprised primarily of expense of job work charges, tools, power and fuel, stores and spares consumed.

Profit before tax: As a result of the factors outlined above, our restated profit before tax was ₹114.67 million for the three months period ended June 30, 2023.

Tax expense

- *Current tax:* We recorded current tax expense of ₹20.22 million for the three months period ended June 30, 2023. This was primarily due to an effective tax rate of 29.12%.

- *Deferred tax:* We recorded a deferred tax charge of ₹20.41 million for the three months period ended June 30, 2023.

Profit for the period: As a result of the factors outlined above, our profit for the three months period ended June 30, 2023 was ₹74.04 million.

Total other comprehensive income for the period / year: Our total other comprehensive loss for the three months period ended June 30, 2023 was ₹0.37 million. This was primarily because of actuarial on account of gratuity.

Total comprehensive income for the period / year: As a result of the factors outlined above, our total comprehensive income for the year for the three months period ended June 30, 2023 was ₹74.41 million.

Fiscal 2023 compared to Fiscal 2022

Total income: Our total income increased by 31.24% from ₹ 1,992.63 million in Fiscal 2022 to ₹ 2,615.21 million in Fiscal 2023. This increase was primarily due to an increase in revenue from operations. This increase was mainly due to the following:

- *Revenue from sale of products:* Our revenue from sale of products increased by 26.25% from ₹ 1,171.39 million in Fiscal 2022 to ₹ 1,478.89 million in Fiscal 2023. This was primarily due to an increase in the business volume from sale of products for aerospace and defence and energy industries.

- *Revenue from sale of services:* Our revenue from sale of services increased by 37.41% from ₹682.09 million in Fiscal 2022 to ₹937.26 million in Fiscal 2023. This was primarily due to an increase in the business volume from sale of products for aerospace and defence and energy industries.

- *Revenue from other operating revenue – scrap sales:* Our revenue from other operating revenue – scrap sales increased by 23.63% from ₹78.38 million in Fiscal 2022 to ₹96.90 million in Fiscal 2023.

- *Other income:* Our other income increased by 105.30% from ₹47.96 million in Fiscal 2022 to ₹98.46 million in Fiscal 2023. This increase was primarily due to increase in gain on foreign exchange transactions of ₹60.11 million in Fiscal 2023 and increase in interest income from ₹7.75 million in Fiscal 2022 to ₹26.73 million in Fiscal 2023.

Total expenses: Our total expenses increased by 56.08% from ₹ 1,591.29 million in Fiscal 2022 to ₹ 2,483.62 million in Fiscal 2023. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹495.22 million in Fiscal 2023, an increase of 31.67% from ₹376.10 million in Fiscal 2022. The increase was mainly due to increase in volume of business and work-in-progress.

- *Changes in inventories of finished goods, work-in-progress:* Changes in inventories of finished goods, work-in-progress was ₹(193.71) million in Fiscal 2023, as compared to ₹(168.48) million in Fiscal 2022. This was primarily due to increase in volume of business.

- *Employee benefits expense*: Our employee benefits expense totaled ₹592.69 million in Fiscal 2023, an increase of 28.09% over ₹ 462.71 million in Fiscal 2022. This increase was primarily due to a 28.09% increase in salaries and wages, including bonus from ₹429.77 million in Fiscal 2022 to ₹550.50 million in Fiscal 2023. This increase was due to an increase in the number of employees employed by us and annual compensation increments.

- *Finance costs*: Our finance cost totaled ₹523.82 million in Fiscal 2023, an increase of 284.71% over our finance costs of ₹136.16 million in Fiscal 2022. This increase was primarily due to interest on CCDs and premium and premium on redemption of DMI OCDs in Fiscal 2023.

- *Depreciation expense*: Our depreciation expense totaled ₹165.83 million in Fiscal 2023, an increase of 24.55% over depreciation expense of ₹133.14 million in Fiscal 2022. This was primarily due to increase in installed capacity to support current and future business volume.

- *Other expenses:* Our other expenses increased by 38.07% from ₹651.66 million in Fiscal 2022 to ₹899.77 million in Fiscal 2023. This was primarily due to an increase in (i) job work charges from ₹158.70 million in Fiscal 2022 to ₹175.65 million in Fiscal 2023; (ii) tools from ₹147.35 million in Fiscal 2022 to ₹179.52 million in Fiscal 2023; (iii) power and fuel consumed from ₹68.44 million in Fiscal 2022 to ₹116.21 million in Fiscal 2023; and (iv) stores and spares consumed from ₹85.76 million in Fiscal 2022 to ₹ 99.90 million in Fiscal 2023. The increase in other expenses was in line with the increase in revenues from operations.

Profit before tax: As a result of the factors outlined above, our profit before tax was ₹131.59 million in Fiscal 2023 as compared to the profit before tax of ₹401.34 million in Fiscal 2022.

Tax expense

- *Current tax:* We recorded a current tax expense of ₹25.74 million in Fiscal 2023 as compared to a current tax expense of ₹86.68 million in Fiscal 2022. This increase was primarily due to an increase in profit before tax.

- *Tax pertaining to earlier years:* We recorded tax pertaining to earlier years of ₹2.42 million in Fiscal 2023 as compared to nil in Fiscal 2022. This was due to differential in provision for tax against the actual tax payment.

- *Deferred tax:* We recorded a deferred tax expense of ₹18.70 million for Fiscal 2023 as compared to a deferred tax expense of ₹20.09 million for Fiscal 2022. This increase was primarily due to deferred tax liability arising on account of property, plant and equipment of ₹74.03 million of which ₹55.33 million is getting off set against deferred tax asset recognized mainly on account of present value measurement of borrowings, MAT credit entitlement and unabsorbed depreciation.

Profit for the period / year: As a result of the factors outlined above, and principally due to the increase in finance costs (primarily due to interest on CCDs and premium and premium on redemption of DMI OCDs in Fiscal 2023), our profit for the year was ₹84.73 million in Fiscal 2023 as compared to the profit for the year of ₹294.57 million in Fiscal 2022.

Total other comprehensive income for the period / year: Our total other comprehensive loss for the year was ₹2.06 million in Fiscal 2023 as compared to total other comprehensive income for the year of ₹(3.42) million in Fiscal 2022. This was primarily due to Ind AS transition.

Total comprehensive income for the period / year: As a result of the factors outlined above, our total comprehensive income for the year in Fiscal 2023 was ₹86.79 million as compared to a total comprehensive income for the year of ₹291.15 million in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Total income: Our total income increased by 59.37% from ₹ 1,250.30 million in Fiscal 2021 to ₹ 1,992.63 million in Fiscal 2022. This increase was primarily due to an increase in revenue from operations. This increase was mainly due to the following:

- *Revenue from sale of products:* Our revenue from sale of products increased by 58.32% from ₹ 739.90 million in Fiscal 2021 to ₹ 1,171.39 million in Fiscal 2022. This was primarily due to an increase in the business volume from sale of products for aerospace and defence and energy industries.

- *Revenue from sale of services:* Our revenue from sale of services increased by 54.43% from ₹441.68 million in Fiscal 2021 to ₹682.09 million in Fiscal 2022. This was primarily due to an increase in the business volume from sale of products for aerospace and defence and energy industries.

- *Revenue from other operating revenue – scrap sales:* Our revenue from other operating revenue – scrap sales increased by 197.23% from ₹ 26.37 million in Fiscal 2021 to ₹78.38 million in Fiscal 2022.

- *Other income:* Our other income increased by 107.71% from ₹23.09 million in Fiscal 2021 to ₹47.96 million in Fiscal 2022. This increase was primarily due to liabilities no longer required written back of ₹24.44 million in Fiscal 2022 and gain on sale of investment in subsidiary of ₹14.42 million in Fiscal 2022.

Total expenses: Our total expenses increased by 46.27% from ₹ 1,087.94 million in Fiscal 2021 to ₹ 1,591.29 million in Fiscal 2022. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹376.10 million in Fiscal 2022, an increase of 69.25% from ₹222.21 million in Fiscal 2021. The increase was mainly due to increase in volume of business and work-in-progress.

- *Changes in inventories of finished goods, work-in-progress:* Changes in inventories of finished goods, work-in-progress was ₹(168.48) million in Fiscal 2022, as compared to ₹(84.12) million in Fiscal 2021. This was primarily due to increase in volume of business.

- *Employee benefits expense*: Our employee benefits expense totaled ₹462.71 million in Fiscal 2022, an increase of 41.95% over ₹ 325.96 million in Fiscal 2021. This increase was primarily due to a 38.64% increase in salaries and wages, including bonus from ₹310.00 million in Fiscal 2021 to ₹429.77 million in Fiscal 2022. This increase was due to an increase in the number of employees employed by us and annual compensation increments.

- *Finance costs*: Our finance cost totaled ₹136.16 million in Fiscal 2022, an increase of 154.31% over our finance costs of ₹53.54 million in Fiscal 2021. This increase was primarily due to increase of 74.54% in interest on term loans from ₹19.40 million in Fiscal 2021 to ₹33.86 million in Fiscal 2022.

- *Depreciation expense*: Our depreciation expense totaled ₹133.14 million in Fiscal 2022, an increase of 50.05% over depreciation expense of ₹88.73 million in Fiscal 2021. This was primarily due to increase in installed capacity to support current and future business volume.

- *Other expenses:* Our other expenses increased by 35.31% from ₹481.62 million in Fiscal 2021 to ₹651.66 million in Fiscal 2022. This was primarily due to an increase in (i) job work charges from ₹110.39 million in Fiscal 2021 to ₹158.70 million in Fiscal 2022; (ii) tools from ₹106.75 million in Fiscal 2021 to ₹147.35 million in Fiscal 2022; (iii) power and fuel consumed from ₹57.24 million in Fiscal 2021 to ₹68.44 million in Fiscal 2022; and (iv) stores and spares consumed from ₹49.62 million in Fiscal 2021 to ₹85.76 million in Fiscal 2022. The increase in other expenses was in line with the increase in revenues from operations.

Profit before tax: As a result of the factors outlined above, our profit before tax was ₹401.34 million in Fiscal 2022 as compared to the profit before tax of ₹162.36 million in Fiscal 2021.

Tax expense

- *Current tax:* We recorded a current tax expense of ₹86.68 million in Fiscal 2022 as compared to a current tax expense of ₹41.49 million in Fiscal 2021. This increase was primarily due to an increase in profit before tax.

- *Deferred tax:* We recorded a deferred tax expense of ₹20.09 million for Fiscal 2022 as compared to a deferred tax expense of ₹5.87 million for Fiscal 2021. This increase was primarily due to additions made to property, plant and equipment, major part of which is entitled to additional depreciation under the Income Tax Act, 1961.

Profit for the period / year: As a result of the factors outlined above, our profit for the year was ₹294.57 million in Fiscal 2022 as compared to the profit for the year of ₹115.00 million in Fiscal 2021.

Total other comprehensive income for the period / year: Our total other comprehensive loss for the year was ₹(3.42) million in Fiscal 2022 as compared to total other comprehensive income for the year of ₹(0.40) million in Fiscal 2021. This was primarily due to re-measurement gains on defined benefit plans.

Total comprehensive income for the period / year: As a result of the factors outlined above, our total comprehensive income for the year in Fiscal 2022 was ₹291.15 million as compared to a total comprehensive income for the year of ₹114.60 million in Fiscal 2021.

Liquidity and Capital Resources

Capital Requirements

For Fiscals 2021, 2022 and 2023 and the three months period ended June 30, 2023, we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, principally with funds generated from operations and optimisation of operating working capital, with the balance principally met using external borrowings.

The following table sets forth information on cash and cash equivalents as at the dates indicated:

Particulars	As at June 30, 2023	As at March 31		
		2023	2022	2021
				(₹ in million)
Cash and cash equivalents at the end of the period / year	353.06	194.06	44.25	17.74

The following table sets forth certain information concerning our cash flows for the three months period ended June 30, 2023, and the years ended March 31, 2023, March 31, 2022 and March 31, 2021 indicated:

Particulars	For three months period ended June 30, 2023	For year ended March 31, 2023	For year ended March 31, 2022	For year ended March 31, 2021
				(₹ in million)
Net cash flow/(Used) from/ (in) operating activities	(34.16)	(102.09)	209.39	47.73
Net cash flow/(Used) from/ (in) investing activities	46.06	(1,011.51)	(1,141.99)	(347.06)
Net cash flow/(Used) from/ (in) financing activities	147.10	1,263.41	959.11	236.16

Net cash flow from operating activities

For the three months period ended June 30, 2023, our net cash flow from operating activities was ₹(34.16) million which primarily comprised of (i) profit before tax for the period of ₹114.67 million which was adjusted primarily for, among other things, depreciation expense of ₹47.70 million and finance cost of ₹101.25 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in trade receivables of ₹42.29 million, increase in inventories of ₹89.49 million and increase in other current assets of ₹47.51 million. Net cash flow from operating activities also included income taxes paid (net of refund) of nil.

For Fiscal 2023, our net cash used in operating activities was ₹102.09 million on account of (i) profit before tax for the period of ₹131.59 million which was adjusted primarily for, among other things, depreciation expense of ₹165.83 million and finance cost of ₹523.82 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in trade receivables of ₹417.92 million, increase in inventories of ₹308.27 million and increase in other current assets of ₹80.85 million. Net cash flow used in operating activities also included income taxes paid (net of refund) of ₹96.39 million.

For Fiscal 2022, our net cash flow from operating activities was ₹209.39 million which primarily comprised of (i) profit before tax for the period of ₹401.34 million which was adjusted primarily for, among other things, depreciation expense of ₹133.14 million and finance cost of ₹136.16 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in trade receivables of ₹237.97 million, increase in inventories of ₹230.87 million and increase in other financial liabilities of ₹82.31 million. Net cash flow from operating activities also included income taxes paid (net of refund) of ₹47.78 million.

For Fiscal 2021, our net cash used in operating activities was ₹47.73 million on account of (i) profit before tax for the period of ₹162.36 million which was adjusted primarily for, among other things, depreciation expense of ₹88.73 million and finance cost of ₹53.54 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in trade receivables of ₹111.64 million, increase in inventories of ₹177.53 million, increase in other financial assets of ₹80.99 million; and (iv) increase in other liabilities of ₹102.37 million. Net cash flow used in operating activities also included income taxes paid (net of refund) of ₹74.42 million.

Net cash flow from/ (used) in investing activities

For the three months period ended June 30, 2023, our net cash flow from investing activities was ₹46.06 million which was primarily investment in machinery to create capacity for future growth of ₹200.50 million and by sale of deposits placed having original maturity of more than three months, net of ₹245.52 million.

For Fiscal 2023, our net cash flow used in investing activities was ₹1,011.51 million which was towards purchase of property, plant and equipment of ₹856.22 million and investment in deposits placed having original maturity of more than three months, net of ₹200.79 million.

For Fiscal 2022, our net cash flow used in investing activities was ₹1,141.99 million which was primarily towards purchase of property, plant and equipment of ₹1,171.47 million which was partially offset by sale of deposits placed having original maturity of more than three months, net of ₹21.63 million.

For Fiscal 2021, our net cash flow used in investing activities was ₹347.06 million which was primarily towards purchase of property, plant and equipment of ₹203.84 million and investment in deposits placed having original maturity of more than three months, net of ₹154.11 million which was partially offset by interest received of ₹10.89 million.

Net cash flow from / (used) in financing activities

For the three months period ended June 30, 2023, our net cash flow from financing activities was ₹147.10 million which primarily comprised of proceeds from short term borrowings of ₹266.75 million which was primarily offset by interest paid of ₹101.25 million

For Fiscal 2023, our net cash flow from financing activities was ₹1,263.41 million which primarily comprised of proceeds from issuance of debentures of ₹1,600 million, proceeds from issue of equity shares/ preference shares of ₹573.46 million and proceeds from long term borrowings (net) ₹177.45 million which was partially offset by interest paid of ₹523.82 million.

For Fiscal 2022, our net cash flow from financing activities was ₹959.11 million which primarily comprised of proceeds of long term borrowings of ₹447.29 million and proceeds from short term borrowings (net) of ₹283.74 million which was partially offset by proceeds from interest paid of ₹135.56 million and proceeds from issuance of debentures of ₹600 million

For Fiscal 2021, our net cash flow from financing activities was ₹236.16 million which primarily comprised of proceeds from long term borrowings (net) of ₹142.70 million and proceeds from short term borrowings (net) of ₹147.00 million which was partially offset by interest paid of ₹53.54 million.

Capital Expenditure

The table below provides details of our net cash outflow on capital expenditure for the three months period ended June 30, 2023, and the Financial Years ended March 31, 2023, 2022 and 2021, respectively:

Particulars	For three months period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
				(in ₹ million)
Purchase of Property, Plant and Equipment including capital advances	(200.50)	(856.22)	(1,171.47)	(203.84)

Planned Capital Expenditure

Our planned capital expenditure for Fiscal 2023 shall be primarily used for expenditure for future capacity.

Indebtedness

As of June 30, 2023, we had total outstanding borrowings (except for the PSCOF CCDs) amounting to ₹1,574.11 million (including bank guarantee amounting to ₹0.50 million), which consisted of fund based borrowings including term loans, working capital loan and vehicle loan and non-fund based borrowings including letter of credit and bank guarantee. For further details related to our indebtedness, see "*Financial Indebtedness*" on page 289.

Contractual Obligations

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as of June 30, 2023.

Particulars	Payables not due	As of June 30, 2023				
		(₹ in million)				
		Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) MSME	16.19	4.33	-	-	-	20.52
(ii) Others	239.43	95.67	4.34	0.05	-	339.49
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-

Contingent Liabilities

As of June 30, 2023, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets were as follows:

Particulars	As at June 30, 2023 (₹ in million)
(a) Contingent Liabilities	
Direct Tax	6.82
Customs Duty	86.24
Bank guarantees	0.50
(b) Capital Commitments	
Unexecuted capital orders to the extent not provided for	600.54

Off-Balance Sheet Transactions

As of June 30, 2023, we have certain off-balance sheet liability in the nature of bill discounting of our invoices to certain customers.

Risk Management Framework

The Board of Directors has the overall responsibility for the risk management framework and are responsible for developing and monitoring the risk management policies. They monitor the compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. Our Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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. Credit risk arises principally from the group's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The group does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The group also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The group does not foresee any credit risks on deposits with regulatory authorities.

Customer credit risk is managed by each business unit subject to the group'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 this assessment. Outstanding customer receivables are regularly monitored.

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 approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation.

Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. financial instruments affected by market risk include borrowings and derivative financial instruments.

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 group exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). Our Company borrows working capital and majority of the term loans from banks in foreign currency due to natural hedging.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Total turnover of each major industry segment

Our Company's operations fall within a single operating "manufacturing high precision and OEM components" which is considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge that have in the past or may in the future affect our business operations or financial performance which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Other than as described in "*Risk Factors*" and this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28 and 292, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenue or income from continuing operations.

Future Relationships Between Expenditure and Income

Other than as described in "*Risk Factors*" on page 28 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 292, to our knowledge there are no known factors which we expect will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in "*Our Business*" on page 160 there are no new products or business segments in which we operate.

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products. For further details, please refer to "*Risk Factors*" and "*Our Business*" beginning on pages 28 and 160, respectively.

Significant Developments after June 30, 2023

To our knowledge, except as stated below and as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months:

a. Pursuant to resolution passed by our Board and Shareholders dated September 11, 2023 and September 12, 2023, respectively, each equity shares of face value of ₹10 each of our Company has been split into five Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company has been sub-divided from 1,651,826 equity shares of face value of ₹10 each to 8,259,130 Equity Shares of face value of ₹2 each.

b. Our Board and Shareholders pursuant to resolutions dated September 11, 2023 and September 12, 2023, respectively, have approved the issuance of 41,295,650 bonus Equity Shares in the ratio of five Equity Shares for every one existing fully paid up Equity Share.
c. Our Promoter has entered into two share purchase agreements each dated September 16, 2023 to purchase 13,150 equity shares and 50,350 equity shares of our Erstwhile Subsidiaries i.e., Swastik Coaters Private Limited and Rouland Chemicals Private Limited, respectively, which are equivalent to 99.62% and 99.90% of the paid up capital of such entities, respectively. Swastik Coaters Private Limited and Rouland Chemicals Private Limited hold the free hold title to the land situated at Plot Number 90/C in Survey Numbers 298/A and 299/2, all situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India and Plot Number 90/D in Survey Number 299/2, situated at phase - 1, IDA Jeedimetla Village, Quthbullapur Mandal, under GHMC circle, Medchal - Malkajgiri District, Telangana, India on which one of our current manufacturing facilities are situated (collectively the "**Subject Land**"). Swastik Coaters Private Limited and Rouland Chemicals Private Limited have pursuant to lease deeds dated September 27, 2023, leased their respective portions of the Subject Land to our Company for a period of 10 years with effect from September 1, 2023 for a monthly lease rental of ₹0.12 million under each of the lease deeds, along with the applicable goods and services taxes applicable on such payment under both lease deeds with a 5% annual escalation. Further, our Company has paid ₹4.96 million each to Rouland Chemicals Private Limited and Swastik Coaters Private Limited, respectively, as security deposit under the lease deeds which is required to be refunded on termination or expiry of the lease deeds. Our Company has the right to terminate each of the aforesaid lease deeds at any time by giving 30 days' notice upon commencing commercial operations at our upcoming manufacturing facility at Tuniki Bollaram village in Siddipet district, Telangana.
d. Our Promoter has entered into a sale deed agreement dated September 27, 2023 with our Company to purchase land located at Plot No 66, in Survey No. 735(P), admeasuring 843.52 square meters situated at Phase – II, Kukatpally village and mandal, Medchal - Malkajgiri District, Hyderabad, Telangana ("**Medchal - Malkajgiri Land**"). The Medchal - Malkajgiri Land is free from all encumbrances, charges, claims, mortgages, and litigations. Our Promoter has paid a consideration amount of ₹42.02 million to our Company for the Medchal - Malkajgiri Land.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court) involving our Company, the Promoter and its Director ("***Relevant Parties***"); (ii) actions (including all penalties and show cause notices) taken by statutory or regulatory authorities against the Relevant Parties; (iii) tax matters involving the Relevant Parties regarding claims related to direct and indirect taxes; and (iv) civil litigations (including arbitration proceedings) involving the Relevant Parties based on the materiality policy adopted by our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years, including any outstanding action.*

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on September 22, 2023, has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation involving a claim or an amount which exceeds ₹0.84 million, being the amount equivalent to 1% of the restated profit after tax of our Company as per the latest Restated Financial Information of our Company included in this Draft Red Herring Prospectus for the last Fiscal, which was ₹84.73 million, would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 1% of the restated profit after tax of our Company as per the Restated Financial Information included in this Draft Red Herring Prospectus for the last Fiscal.

For the purposes of this section, pre-litigation notices (excluding statutory/ regulatory/ governmental/ tax/ judicial authorities and FIRs as applicable), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated before any judicial or arbitral forum.

Furthermore, except as stated in this section and in terms of the Materiality Policy, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

*There are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5.00% of the total trade payables of our Company as of June 30, 2023 shall be considered as 'material'. The total trade payables as on June 30, 2023, based on the Restated Financial Information of our Company was ₹360.01 million. Accordingly, any outstanding dues exceeding ₹18.00 million which is 5% of total trade payables of our Company as on June 30, 2023 based on the Restated Financial Information of our Company, have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("***MSME***"), the disclosure will be based on information available with our Company regarding status of the creditor under Section 2 read with section 7 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

Litigation involving our Company

Litigation against our Company

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Our Company received a show cause notice dated March 17, 2023 ("**SCN**") from the MCA, Cost Audit Branch ("**MCA**"), alleging, *inter alia*, that our Company and our officers in default as defined under Companies Act, 2013, which include our Company's Whole-time Directors and KMPs, were in default for non-maintenance of cost records for the Financial Year 2016-17 as prescribed under Section 148(1) of the Companies Act, 2013 read with Rule 3 & 5 of the Companies (Cost Records and Audit) Rules, 2014. Subsequently, our Company received a reminder from the MCA to submit a reply to the SCN. Our Company submitted its response dated July 5, 2023. Our Company has since received a reminder by way of e-mail communication dated September 25, 2023 from the MCA asking our Company to submit a reply to the SCN, in response to which our Company has re-filed our response dated July 5, 2023. The matter is currently pending.

Material Civil Litigation

Nil

Litigation by our Company

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Promoter

Litigation against our Promoter

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

For details in relation to the show cause notice dated March 17, 2023 received by our Company and our Whole-time directors (including our Promoter), please see "- *Litigation involving our Company – Actions taken by Regulatory and Statutory Authorities*" on page 315.

Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoter in the five Financial Years preceding the date of this Draft Red Herring Prospectus

Nil

Material Civil Litigation

Nil

Notices

Nil

Litigation by our Promoter

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

For details in relation to the show cause notice dated March 17, 2023 received by our Company and our Whole-time directors (including our Jyoti Chopdar and Vishnu Pramodkumar Malpani), please see "- *Litigation involving our Company – Actions taken by Regulatory and Statutory Authorities*" on page 315.

Material Civil Litigation

Nil

Litigation by our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoter and Directors as on date of this Draft Red Herring Prospectus:

Nature of case	Number of cases	Amount involved (in ₹ million)(1)(2)
Our Company		
Direct Tax	9	116.23
Indirect Tax	57	134.10
Our Promoter		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

(1) To the extent quantifiable

(2) Our Company has received multiple notices for certain tax cases relating to the same matter.

Description of tax matters exceeding the Materiality Threshold

Material tax litigation involving our Company

<u>Direct tax matters</u>

1. Our Company received a demand letter dated February 20, 2020 ("**Demand Letter**") from the Office of the Deputy Commissioner of Income Tax Circle 1(1), Hyderabad, Telangana under Section 156 read with 210(3) and (4) of the Income Tax Act, 1961 demanding payment of a sum of ₹91.22 million as advance tax for the assessment year 2020-21. Subsequently, our Company has filed the income tax return ITR-6 dated February 15, 2021, pursuant to which the amount claimed under the Demand Letter has been paid.

2. Our Company received a recovery notice dated January 23, 2020 ("**Recovery Notice**") from the Office of the Deputy Commissioner of Income Tax Circle 1(1), Hyderabad, Telangana under Section 221(1) of the Income Tax Act, 1961, demanding payment of outstanding tax of a sum of ₹0.60 million for the assessment year 2009-10, ₹0.51 million for the assessment year 2010-11, and ₹2.04 million for the assessment year 2015-16. Our Company has paid ₹0.60 million towards outstanding tax for assessment year 2009-10 pursuant to the Recovery Notice. Our Company received another notice dated December 23, 2020, from the Additional Commissioner of Income Tax, Hyderabad ("**Additional Notice**"), demanding payment of a sum of ₹0.38 million of the sum of 2.04 million demanded pursuant to the Recovery Notice for assessment year 2015-16. Subsequently, our Company has paid the sum of ₹0.38 million towards outstanding tax for assessment year 2015-16 pursuant to the Additional Notice. Further, our Company has also paid a sum of ₹0.91 million towards final settlement of the demand of ₹2.04 million for assessment year 2015-16 pursuant to the Recovery Notice. Accordingly, a sum of ₹0.51 million pursuant to the Recovery Notice for assessment year 2010-11 remains outstanding. The matter is currently pending.

3. Our Company received a penalty notice dated September 24, 2022 ("**Penalty Notice**") from the Assessment Unit of the Income Tax Department under Sections 143(3), 274 read with 270A of the Income Tax Act, 1961, for levying penalty for under-reported income and delay in payment of employee's contribution to the provident fund and employee's state insurance, involving a sum of ₹6.82 million. Our Company responded to the Penalty Notice by means of a response dated October 14, 2022 and subsequently filed an appeal dated October 28, 2022, with the Commissioner of Income Tax (Appeals) contesting the Penalty Notice. The matter is currently pending.

4. Our Company received a demand notice dated July 26, 2023 ("**Demand Notice**") from the Deputy Director of Income Tax, CPC, Bengaluru, for a sum of ₹14.07 million alleging the denial of deduction and disallowance of certain tax deducted at source items due to an alleged mismatch with our Company's tax records. On August 8, 2023, our Company replied to the Demand Notice, contesting the same. The matter is currently pending.

<u>Indirect tax matters</u>

1. Our Company has received a show cause notice dated July 20, 2023 ("**Show Cause Notice**") from the Assistant Commissioner of Central Tax, Circle VI, Audit II Commissionerate, Hyderabad, demanding payment of tax aggregating to a sum of ₹17.97 million under the provisions of the Central Goods and Services Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the Telangana Goods and Services Act, 2017. The Show Cause Notice alleged, *inter alia*, (i) short payments on GST on account of difference in tax liabilities declared in GSTR-1 & GSTR-3B; (ii) non-reversal of ITC on account of 'Credit Notes' received; (iii) irregular availment of blocked input tax credit and (iv) nonpayment of GST on 'Other Income' as declared in the profit and loss account of our Company. The matter is currently pending.

2. Our Company has received a notice dated May 18, 2022 from the Assistant Commissioner (ST), Fatehnagar Circle, demanding payment of tax aggregating to an aggregate sum of ₹ 0.87 million (the "**Demand Amount**") under the provisions of Sections 73(5) and 74(5) of the Telangana Goods and Services Tax Act, 2017 on account of excess claim of transitional credit made by the Company during the Financial Years 2011-2012 to 2016-2017. Subsequently, our Company has also received a show cause notice dated May 31, 2022 for failure to pay the Demand Amount. Our Company has since filed a response. The matter is currently pending.

3. Our Company has received 53 show cause notices ("**Show Cause Notices**") between the period of August 2019 and December 2022 from the Assistant Commissioner of Customs, Office of the Commissioner of Customs, Chennai – II and Office of the Deputy Commissioner of Custom, Inland Container Depot: Sanath Nagar, Hyderabad, demanding payment of customs duty aggregating to ₹63.04 million under provisions of the Customs Act, 1962. The Show Cause Notices alleged, *inter alia*, non-fulfillment of export obligation under Section 143 of the Customs Act, 1962. The matters are currently pending.

4. Our Company has received a notice dated September 22, 2023 ("**Notice**") from the Superintendent of Central Tax, Qutbullapur Range, Jeedimetla Division, Hyderabad ("**Superintendent of Central Tax**") alleging that our Company has wrongfully availed the benefits under notification no. 48/2017-CT (central tax) dated October 1, 2017, notification no. 78/2017-Customs dated October 13, 2017 and notification no. 79/2017-Customs dated October 13, 2017 issued by the Central Board of Excise and Customers, India, during the period July 2017 to March 2022. The Superintendent of Central Tax has, by way of the Notice, demanded a payment of a sum aggregating to ₹52.00 million under the provisions of Rule 96(10) of the Central Goods and Service Tax Rules, 2017 and the submission of copies of shipping bills and all relevant data relating to the Integrated Goods and Service Tax refunds for the period July 2017 to March 2022. Our Company is in the process of filing a response. The matter is currently pending.

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of June 30, 2023, based on the Restated Financial Information was outstanding, were considered 'material' creditors. Our total trade payables as of June 30, 2023, was ₹ 360.01 million and accordingly, creditors to whom outstanding dues as of June 30, 2023, exceed ₹ 18.00 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

The details of outstanding dues towards our material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at www.azad.in/investors.

Based on the Materiality Policy, details of outstanding dues owed as of June 30, 2023 by our Company, on a consolidated basis are set out below:

Type of creditors	Number of creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	52	20.52
Material creditors	2	138.16
Other creditors	271	201.33
Total	**325**	**360.01**

As of June 30, 2023, there were two material creditors to whom our Company owed an aggregate amount of ₹ 138.16 million.

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after June 30, 2023*" on page 314 and as otherwise disclosed in this Draft Red Herring Prospectus, 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 operations, 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 from the date of the filing of the DRHP.

GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of material approvals, consents, licences, registrations, and permissions from various governmental and regulatory authorities required to be obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company can undertake this Offer and its business activities and operations, as applicable. In addition, certain Material Approvals of our Company may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and our Company has either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable law and requirements and procedures. Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus. For further details in connection with the applicable regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 189.*

We have also set forth below (i) Material Approvals or renewals applied for but not received; (ii) Material Approvals expired and renewal yet to be applied for; and (iii) Material Approvals required however yet to be obtained or applied for, as on the date of this Draft Red Herring Prospectus. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – Non-compliance with and changes in, safety, health, factories, import export, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition, cash flows and future prospects" on page 45.

I. Approvals in relation 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 321.

II. Incorporation details of our Company

1. Certificate of incorporation dated September 14, 1983, under the name 'Azad Engineering Private Limited' issued by the RoC to our Company.

2. Fresh certificate of incorporation dated September 5, 2023, issued by the RoC to our Company, due to conversion of our Company from private limited company to a public limited company and the subsequent change in our name from 'Azad Engineering Private Limited' to 'Azad Engineering Limited'.

3. The CIN of our Company is U74210TG1983PLC004132.

III. Labour related Material Approvals

1. Certificate of registration issued by the Employees' Provident Fund Organisation under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

2. Certificate of registration issued by the Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948.

3. Certificate of registration issued by the Labour Department, Government of Telangana, under the Contract Labour (Regulation and Abolition) Act, 1970.

IV. Material Approvals in relation to the business and operations of our Company:

1. AS9100:2016 certification issued by DQS Inc. in respect of implementing and maintaining a quality management system at our certification structure campus.

2. Certificate of Importer-Exporter Code issued by the Office of Additional Director General of Foreign Trade, Hyderabad, under the Foreign Trade (Development and Regulation) Act, 1992.

V. Material Approvals in relation to the manufacturing facilities of our Company

1. Factory license issued by the designated authorities under the Factories Act, 1948 for our manufacturing facilities.

2. Consent for operation issued by the Telangana State Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 in relation to our manufacturing facilities.

3. Approval of drawings submitted towards design approval under the Electricity Act, 2003 and CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, issued by the Electrical Inspectorate, Government of Telangana.

VI. Export related international Material Approvals

Material registrations and approvals in relation to the export of our Company's products to foreign jurisdictions from the appropriate regulatory authorities, where these registrations and approvals are mandatory for the import of our Company's products in such jurisdictions.

VII. Tax related Material Approvals

1. Permanent account number issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.

3. Certificate of registration issued by the Central Government for enrolment as existing taxpayer for GST under the Goods and Services Tax Act, 2017.

4. Certificate of registration issued by the Commercial Taxes Department of Government of Telangana under the Telangana Tax on Profession, Trade, Calling and Employment Act, 1987, to enable payment of profession tax by our Company.

VIII. Material Approvals or renewals applied for but not received by our Company

Nil

IX. Material Approvals expired and renewal yet to be applied for by our Company

Nil

X. Material Approvals required however yet to be obtained or applied for by our Company

Nil

XI. Intellectual property rights

For details, see "*Our Business – Intellectual Property*" on page 187 and for risks associated with intellectual property, see "*Risk Factors – If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected*" on page 44.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to resolutions passed at their meetings held on September 11, 2023, and by our Shareholders pursuant to a special resolution dated September 12, 2023. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale, pursuant to its resolution dated September 29, 2023. Our Board has approved the Draft Red Herring Prospectus pursuant to its resolution dated September 29, 2023.

Each of the Selling Shareholders, severally and not jointly, has authorised and confirmed its participation in the Offer for Sale in relation to its respective portion of the Offered Shares, as set out below:

Selling Shareholders	Number of Equity Shares offered/ Amount in ₹	Date of consent letter	Date of corporate authorisation/ board resolution
Rakesh Chopdar	Up to [●] Equity Shares aggregating up to ₹1,700.00 million	September 29, 2023	N.A.
Piramal Structured Credit Opportunities Fund	Up to [●] Equity Shares aggregating up to ₹2,800.00 million^	September 29, 2023	September 12, 2023
DMI Finance Private Limited	Up to [●] Equity Shares aggregating up to ₹500.00 million	September 29, 2023	September 25, 2023

^ *Includes 1,600 PSCOF CCDs held by Piramal Structured Credit Opportunities Fund, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of SEBI ICDR Regulations.*

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, the Reserve Bank of India or other governmental authorities

Our Company, our Promoter, members of our Promoter Group, our Directors, and/or persons in control of our Company and the Selling Shareholders, are not prohibited from accessing or operating 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.

Our Directors and Promoter are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI.

Our Company, Promoter and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

Our Promoter or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, members of our Promoter Group and the Selling Shareholders, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them in respect of its respective holding in our Company as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business.

There are no outstanding action(s) initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria and as derived from the Restated Financial Information:

(a) Our Company has had net tangible assets of at least ₹30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);

(b) Our Company has an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

(d) Our Company has not changed its name in the last one year.

Unless stated otherwise, our Company's net tangible assets, operating profits and net worth, have been derived from the Restated Financial Information included in this Draft Red Herring Prospectus for the last three Financial Years, which are set forth below:

Derived from our Restated Financial Information:

(₹ in million, unless otherwise mentioned below)

Description	As at March 31,		
	2023	2022	2021
Net Tangible Assets, as restated and consolidated (A) [(1)]	2,039.88	1,200.07	908.92
Monetary Assets, as restated and consolidated (B) [(2)]	527.33	176.73	171.85
Operating Profit, as restated and consolidated (C) [(3)]	556.95	489.54	192.81
Net Worth, as restated and consolidated (D) [(4)]	2,000.88	1,161.07	908.92
Monetary Assets, as restated and consolidated as a % of Net Tangible Assets, as restated and consolidated (E)=(B)/(A) (in %) [(5)]	25.85	14.73	18.91

Source: Restated Financial Information as included in the Draft Red Herring Prospectus under the section "Financial Statements".

(1) Net Tangible Assets, Restated and consolidated, mean the sum of all net assets of the Issuer and excluding intangible assets, each on restated basis and as defined in Indian Accounting Standard 38.

(2) Restated and consolidated Monetary Assets = Cash and cash equivalents and bank balance as on restated and consolidated basis.

(3) Restated and consolidated Operating Profit has been calculated as restated and consolidated profit before tax excluding other income and finance cost each on a restated and consolidated basis.

(4) Net Worth has been defined as restated and consolidated net worth, which is 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 restated consolidated statement of assets and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital redemption reserve, capital reserve and share suspense account have been excluded when computing other equity since these were not created out of the profits.

(5) 'Monetary Assets as restated as a percentage of the Net Tangible Assets' means Monetary Assets as restated divided by Net Tangible Assets, as restated, expressed as a percentage.

The average Operating Profit, as restated and consolidated for the last three Financial Years is ₹413.10 million.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoter, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, our Promoter or Directors is a Wilful Defaulter or Fraudulent Borrower.

(d) None of our Promoter or Directors has been declared a Fugitive Economic Offender in accordance with the Fugitive Economic Offenders Act, 2018.

(e) Except for the conversion of PSCOF CCDs into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC, there are no outstanding convertible securities, warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus. For further information on the PSCOF CCDs issued by our Company, see "*Capital Structure – Compulsorily Convertible Debentures*" on page 78.

Each of the Selling Shareholders, severally and not jointly specifically confirm that the Equity Shares being offered by each of the Selling Shareholders comply with the requirements specified under Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not more than 50% of the Net Offer to QIBs. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE 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, AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND ANAND RATHI ADVISORS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2023, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, the Directors, the Selling Shareholders, the Book Running Lead Managers

Our Company, the Directors, the Selling Shareholders, the Book Running Lead Managers 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 Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.azad.in, or the respective websites of any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders, including their respective directors, investment manager, partners, affiliates, associates and officers, accept or undertake no responsibility for any statements made or undertakings provided in this Draft Red Herring Prospectus other than those specifically undertaken or made or confirmed in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information, to the extent required in relation to the Offer, shall be made available by our Company, each of the Selling Shareholders (to the extent that the information pertain to itself and its respective portion of the Offered Shares), severally and not jointly, the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Banks on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective investment managers, directors, partners, 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, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective investment managers, directors, partners, 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 Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective investment managers, 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 or become customers to our Company, the Selling Shareholders and their respective investment managers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer in respect of jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, 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, Indian Mutual Funds registered with SEBI, 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 respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction other than in India 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 himself or herself about, and to observe, any such restrictions. 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. 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. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad, Telangana, India, only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The 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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the 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 Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Selling Shareholders in relation to their respective 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.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, the Book Running Lead Managers, the bankers to our Company, industry expert, Statutory Auditors, Independent Chartered Accountant, Independent Chartered Engineer and the Registrar to the Offer to act in their respective capacities, have been obtained and (b) Syndicate Members, Bankers to the Offer (Escrow Collection Bank, Public Offer Bank, Sponsor Banks and Refund Bank) to act in their respective capacities, Monitoring Agency will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for filing with the RoC.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received a written consent dated September 29, 2023, from our Statutory Auditor, namely, M S K A & Associates, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, 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 Auditor, and in respect of their (a) their examination report dated September 22, 2023 on the Restated Financial Information, and (b) report dated September 29, 2023, on the statement of special tax benefits available to the Company and our Shareholders. Such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 29, 2023, from P. Kanaka Rao, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act 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 Engineer, in relation to the certificate dated September 29, 2023, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this DRHP.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Last issue of subsidiaries and promoters

As on date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or a corporate promoter.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed subsidiaries or associates of our Company

Our Company does not have any subsidiaries or associates, as on the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed group companies of our Company

Our Group Companies are not listed on any stock exchange, as on date of this Draft Red Herring Prospectus.

Capital issue during the preceding three years by our Company

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

A. Axis Capital Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited:

Sl. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	SignatureGlobal (India) Limited(2)	7,300.00	385.00	27-Sep-23	444.00	-	-	-
2.	R R Kabel Limited^ (1)	19,640.10	1,035.00	20-Sep-23	1,179.00	-	-	-
3.	TVS Supply Chain Solutions Limited(2)	8,800.00	197.00	23-Aug-23	207.05	+8.71%, [+1.53%]	-	-
4.	SBFC Finance Limited!(2)	10,250.00	57.00	16-Aug-23	82.00	+51.75%, [+3.28%]	-	-
5.	Cyient DLM Limited& (2)	5,920.00	265.00	10-Jul-23	403.00	+86.79%, [+1.11%]	-	-
6.	Mankind Pharma Limited(2)	43,263.55	1,080.00	09-May-23	1,300.00	+37.61%, [+2.52%]	+74.13%, [+6.85%]	-
7.	Elin Electronics Limited(1)	4,750.00	247.00	30-Dec-22	243.00	-15.55%, [-2.48%]	-52.06%, [-4.73%]	-29.35%, [+4.23%]
8.	Landmark Cars Limited*(1)	5,520.00	506.00	23-Dec-22	471.30	+22.83%, [+1.30%]	+1.16%, [-2.72%]	+35.06%, [+5.82%]
9.	Uniparts India Limited(1)	8,356.08	577.00	12-Dec-22	575.00	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
10.	Keystone Realtors Limited(1)	6,350.00	541.00	24-Nov-22	555.00	-12.26%, [-3.90%]	-9.70%, [-2.57%]	-8.64%, [-0.50%]

Source: www.nseindia.com and www.bseindia.com
(1) BSE as designated stock exchange
(2) NSE as designated stock exchange
^ Offer Price was ₹ 937.00 per equity share to eligible employees
! Offer Price was ₹ 55.00 per equity share to eligible employees
& Offer Price was ₹ 250.00 per equity share to eligible employees
** Offer Price was ₹ 458.00 per equity share to eligible employees*

Notes:

a. Issue size derived from prospectus/final post issue reports, as available.
b. The CNX NIFTY or S&P BSE SENSEX is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
c. Price on NSE or BSE is considered for all of the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. *Summary statement of price information of past issues handled by Axis Capital Limited*

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-2024*	6	95,173.65	-	-	-	2	1	1	-	-	-	-	-	-
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. ICICI Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Sl. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Fusion Micro Finance Limited^^	11,039.93	368.00	November 15, 202	359.50	+9.86%,[+1.40%]	+12.84%,[-2.97%]	+25.52%,[-0.48%]
2.	Five Star Business Finance Limited^^	15,885.12	474.00	November 21, 202	468.80	+29.72%,[+1.24%]	+19.20%,[-1.19%]	+11.72%,[+0.24%]
3.	Archean Chemical Industries Limited^^	14,623.05	407.00	November 21, 202	450.00	+25.42%,[+1.24%]	+56.87%,[-1.19%]	+32.68%, [+0.24%]
4.	Landmark Cars Limited^	5,520.00	506.00(1)	December 23, 2022	471.30	+22.83%,[+1.30%]	+1.16%,[-2.72%]	+35.06%,[+5.82%]
5.	KFIN Technologies Limited^^	15,000.00	366.00	December 29, 2022	367.00	-13.55%,[-3.22%]	-24.56%,[-6.81%]	-4.48%,[+2.75%]
6.	Utkarsh Small Finance Bank Limited^^	5,000.00	25.00	July 21, 2023	40.00	+92.80%,[-2.20%]	NA*	NA*
7.	SBFC Finance Limited^^	10,250.00	57.00(2)	August 16, 2023	82.00	+51.75%, [+3.28%]	NA*	NA*
8.	Jupiter Lifeline Hospitals Limited^^	8,690.76	735.00	September 18, 2023	973.00	NA*	NA*	NA*
9.	Zaggle Prepaid Ocean Services Limited^^	5,633.77	164.00	September 22, 2023	164.00	NA*	NA*	NA*
10.	Signatureglobal (India) Limited^^	7,300.00	385.00	September 27, 2023	444.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of ₹ 48 per equity share offered to eligible employees. All calculations are based on issue price of ₹ 506.00 per equity share.
(2) Discount of ₹ 2 per equity share offered to eligible employees. All calculations are based on issue price of ₹ 57.00 per equity share.

2. *Summary statement of price information of past issues handled by ICICI Securities Limited*

Fiscal Year*	Total no. of IPOs	Total amount of funds raised (in ₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	5	36,874.53	-	-	-	**2**	-	-	-	-	-	-	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective issuer company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective issuer company.*
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*

C. ***SBI Capital Markets Limited***

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by SBI Capital Markets Limited*

Sl. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Yatra Online Limited @	7,750.00	142.00	September 28, 2023	130.00	-	-	-
2.	Senco Gold Limited#	4,050.00	317.00	July 14, 2023	430.00	25.28% [-0.70%]	-	-
3.	Tamilnad Mercantile Bank Limited @	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	2.14% [4.34%]	-15.82% [-2.83%]
4.	Paradeep Phosphates Limited @	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
5.	Life Insurance Corporation of India (1)@	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
6.	Star Health and Allied Insurance Company Ltd (2)#	64,004.39	900.00	December 10,2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
7.	Tarsons Products Limited (3)@	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	0.20% [-5.35%]
8.	Aditya Birla Sun Life AMC Limited#	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
9.	Nuvoco Vistas Corporation Limited@	50,000.00	570.00	August 23, 2021	471.00	-5.83% [+6.21%]	-9.74% [+7.34%]	-32.76% [4.10%]
10.	Windlas Biotech Limited@	4,015.35	460.00	August 16, 2021	439.00	-18.02% [+4.79%]	-34.42% [+9.18%]	-37.01% [+4.62%]

Source: www.nseindia.com and www.bseindia.com

Notes:

** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** *The information is as on the date of this document.*

**The information for each of the financial years is based on issues listed during such financial year.*

@ The S&P BSE SENSEX index is considered as the benchmark index, BSE being the designated stock exchange

 # The Nifty 50 index is considered as the benchmark index, NSE being the designated stock exchange

1. Price for retail individual bidders and eligible employee was Rs 904.00 per equity share and for eligible policy holders and was ₹ 889.00 per equity share

2. Price for eligible employee was ₹ 820.00 per equity share

3. Price for eligible employee was ₹ 639.00 per equity share

4. Price for eligible employee was ₹ 795.00 per equity share

2. *Summary statement of price information of past issues handled by SBI Capital Markets Limited*

Fiscal Year*	Total no. of IPOs	Total amount of funds raised (in ₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	2	11,800.00	-	-	-	-	1	-	-	-	-	-	-	-
2022-23	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-
2021-22	10	2,17,814.28	-	-	6	1	2	1	-	3	1	3	-	3

* *The information is as on the date of this offer document.*

Date of listing for the issue is used to determine which financial year that particular issue falls into.

D. Anand Rathi Advisors Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Anand Rathi Advisors Limited.

Sl. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Paras Defence and Space Technologies Limited*	1,707.78	175	October 01, 2021	475.00	+435.77%[+0.92%]	+321.77% [-1.63%]	+259.29%[-1.99%]
2.	Anand Rathi Wealth Limited*	6,593.75	550	December 14, 2021	602.05	+12.38%[+5.22%]	+4.46%[-4.42%]	+19.55%[-6.56%]
3.	Electronics Mart India Limited#	5000.00	59	October 17, 2022	90.00	+46.02%[+5.88%]	+42.63%[+3.72%]	+23.81%[+2.98%]

Source: www.bseindia.com; www.nseindia.com
**BSE as the designated stock exchange*
#NSE as the designated stock exchange
Note:

1. *Opening price information as disclosed on the website of the designated stock exchange.*
2. *Change in closing price over the issue/offer price as disclosed on designated stock exchange.*
3. *Change in closing price over the closing price as on the listing date, BSE SENSEX and NIFTY 50 is considered as the Benchmark Index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days.*
6. *A discount of ₹ 25 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
7. *NA means not applicable, period not completed.*

2. *Summary statement of price information of past issues handled by Anand Rathi Advisors Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	1	5,000.00	N.A.			-	1	-	N.A.			-	-	1
2021-22	2	8,301.53	N.A.			1	-	1	N.A.			1	-	1

**The information is as on the date of the document*
Source: www.bseindia.com; www.nseindia.com
The information in each of the financial year is based on the issues listed during that financial year
Note: NA means not applicable.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Managers	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	ICICI Securities Limited	www.icicisecurities.com
3.	SBI Capital Markets Limited	www.sbicaps.com
4.	Anand Rathi Advisors Limited	www.anandrathiib.com

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Redressal and disposal of investor grievances by our Company

The Registrar Agreement provides for 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 to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

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

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding three 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 three 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.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable 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. The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock. Further, in accordance with circulars prescribed by SEBI, from time to time, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under 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.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 59.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has appointed Ful Kumar Gautam, Company Secretary and Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related grievances. For details, see "*General Information*" beginning on page 68.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) 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 within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. No investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus. Further, none of our Group Companies are listed.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and SEBI circular bearing number SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising Subba Rao Ambati as chairman, Rakesh Chopdar and Vishnu Pramodkumar Malpani as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 211.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and allotted and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or 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, the 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 SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer – Offer related expenses*", on page 94.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see "*Main Provisions of Articles of Association*" beginning on page 365.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (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 further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 223 and 365, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹2 and the Offer Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers and advertised in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate 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 websites of the Stock Exchanges. The Offer Price and discount (if any) shall be determined by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy and "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws, rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

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, consolidation or sub-division, see "*Main Provisions of Articles of Association*" beginning on page 365.

Allotment of Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated June 26, 2023 amongst our Company, CDSL and Registrar to the Offer.
- Tripartite agreement dated August 2, 2023 between our Company, NSDL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" beginning on page 347.

Jurisdiction

The courts of Hyderabad, Telangana, India will have exclusive jurisdiction in relation to this Offer.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A 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 shall upon the production of such evidence as may be required by our 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, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all 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 dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue portion of the Offer is not subscribed. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of the UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and 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. The notice of the withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

Notwithstanding the foregoing, the Offer is also subject to (i) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) filing of the prospectus with ROC. If our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●](1)
BID/OFFER CLOSES ON	[●](2)(3)
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 [●]

1. *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, shall, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. 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, Promoter Selling Shareholder and Investor Selling Shareholder, shall, in consultation with the Book Running Lead Managers, 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.*
3. *UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date.*

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, in terms of circulars prescribed by SEBI from time to time, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the Book Running Lead Managers.

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 such time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. 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 Selling Shareholders confirm that they shall extend reasonable co-operation, in relation to their respective portion of the Offered Shares, as requested by our Company and/or the Book Running Lead Managers, for the timely completion of

the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within such time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time from the Bid/Offer Closing Date as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. 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.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**"))
Bid/Offer Closing Date	
Submission and Revision in Bids*	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees bidding in the Employee Reservation Portion .

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on a daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

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 the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday).

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on 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. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price provided that the Cap Price shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Banks, as applicable.

Minimum Subscription

However, if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, including through the devolvement of Underwriters, in accordance with the applicable laws, after the Bid/Offer Closing Date, of if the level of subscription falls below the threshold specified above on account of withdrawal of applications or after technical rejections or for any other reason whatsoever; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholders, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay in refunding the amount beyond four days, our Company shall pay interest at the rate of 15% per annum in accordance with the UPI Circulars. Each of the Selling Shareholders shall, severally and not jointly, reimburse any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act, 2013, the UPI Circulars and any other applicable law, only to the extent of portion of Equity Shares offered by respective Selling Shareholders in the Offer, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest if such delay is not attributable to an act or omission of such Selling Shareholders in relation to its portion of the Offered Shares.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards the sale of the Offered Shares being offered by Piramal Structured Credit Opportunities Fund in the first instance, DMI Finance Private Limited in the second instance and our Promoter in the third instance and only thereafter, towards the balance Fresh Issue. For avoidance of doubt, the balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares are Allotted in the Offer.

Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

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 the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 76 and except as provided in the Articles of Association, there are no restrictions on transfer or transmission of Equity Shares. For details see "*Main Provisions of Articles of Association*" beginning on page 365.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹7,400.00 million, comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹2,400.00 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹1,700.00 million by Rakesh Chopdar, up to [●] Equity Shares aggregating up to ₹2,800.00 million* by Piramal Structured Credit Opportunities Fund and up to [●] Equity Shares aggregating up to ₹500.00 million by DMI Finance Private Limited.

**Includes 1,600 PSCOF CCDs, which shall be converted to a maximum of up to 6,476,310 Equity Shares, subject to the provisions of the Piramal DTD, prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations*.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
Number of Equity Shares available for Allotment or allocation*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or the Offer less allocation to QIB Bidders and RIBs was available for allocation	Not less than 35% of the Net Offer or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million, subject to total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount).	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. c) Up to 60% of the QIB Portion (of up to [●]	The allotment to each NII shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than	The 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 if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*", beginning on page [●].

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
		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.	₹0.20 million and up to ₹1.00 million; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹1.00 million. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category.	
Mode of Bid^	ASBA only (including the UPI Mechanism)	ASBA only (excluding the UPI Mechanism) except for Anchor Investors (3)	ASBA only (including the UPI Mechanism for Bids up to ₹0.50 million)	ASBA only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹0.50 million, less Employee Discount##, if any	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor portion), subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(4)	Eligible Employees (such that the Bid Amount does not exceed ₹0.50 million) net of Employee Discount.	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, 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,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹0.20 million in value.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
		National Investment Fund set up by the Government of India, 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, in accordance with applicable laws including FEMA Rules.		
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.(5) **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Banks through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			

* *Assuming full subscription in the Offer.*

\# *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

\## *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent of ₹[●] per Equity Share) to the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion and which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date.*

^ *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 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.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them 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 all QIBs. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

(3) *Anchor Investors are not permitted to use the ASBA process.*

(4) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

(6) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹0.50 million, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" beginning on page 337.

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 issued by SEBI 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 Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by the UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*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, had 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. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹0.20 million to ₹0.50 million for all the individual investors applying in public issues.*

*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 was 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. 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 and the SEBI Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. 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 this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any. The Employee Reservation Portion shall not exceed 5% of our post -Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price, net of Employee Discount, if any.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

Bidders 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, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of unified payments interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("**Previous UPI Circulars**") and 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 UPI Bidders 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 and the Previous 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 bearing number

SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Corporate 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 at the offices of the Book Running Lead Managers.

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 UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (not using the 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 are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID 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 the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders 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 submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application is available with the Book Running Lead Managers.

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 QIBs, Non-institutional Investors and Retail Individual Bidders, each resident in India and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors**	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Form.*

** *Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*

Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

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.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the 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.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoter, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoter/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers 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 Book Running Lead Managers 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 or in any other manner as introduced under applicable laws, 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 Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers.

Except to the extent of participation in the Offer for Sale by Rakesh Chopdar, who is the Promoter of our Company, shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. A qualified institutional buyer who has any of the following rights in relation to the Company shall also be deemed to be a person related to the Promoter or Promoter Group of our Company:

(i) rights under a Shareholders agreement or voting agreement entered into with the Promoter or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Managers ” if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Managers.

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, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Non-Resident Indians

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).

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 authorise their respective SCSB to block their NRE accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their NRO accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity 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 members of the Indian company in a general meeting.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 364.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by HUFs

Hindu Undivided Families or HUFs, 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 may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

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.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

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.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21of 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.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the 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.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

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, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of 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 and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers 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.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, *inter alia,* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

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.

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, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and 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 circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. 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 Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million (net of Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" beginning on page 343.

However, Allotments to Eligible Employees in excess of ₹0.20 million shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form.

2. Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

3. In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.

4. Bids by Eligible Employees may be made at Cut-off Price.

5. Only those Bids, which are received at or above the Offer Price, net of Employee Discount, would be considered for allocation under this portion.

6. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹0.50 million (net of Employee Discount).

7. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

8. Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

9. As per the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount).

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" beginning on page 347.

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.

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2) 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.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and will be completed on the same day.

5) Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the the Book Running Lead Managers will finalize 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: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) 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 (c) 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.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10) Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply under the Anchor Investors category.

11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the Book Running Lead Managers are not liable for any amendments or modification or changes to 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 regulations, or as will be specified in the Red Herring 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;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

7. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

8. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;

9. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. 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;

16. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

19. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

20. 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;

21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;

22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

23. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

26. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Banks issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

27. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

28. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

29. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

30. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non-Institutional Category for allocation in the Offer;

31. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. 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

32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

33. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by RIBs) and ₹0.50 million for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. 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;
13. 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);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

31. Do not Bid if you are an OCB;

32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.

34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million;

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 are requested to note that Bids maybe 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 UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);

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 ₹0.20 million;

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. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the

total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see "*General Information*" beginning on page 68.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three 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 three 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.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers 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 offered through this Offer document.

The allotment of Equity Shares to applicants other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each 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. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third portion shall be available for allocation to Non- Institutional Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-third portion shall be available for allocation to Non-Institutional Bidders with an application size of more than ₹1.00 million in accordance with the SEBI ICDR Regulations. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, the allocation to each Non-Institutional Investor shall not be less than Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, Promoter Selling Shareholder and Investor Selling Shareholder, in consultation with the Book Running Lead Managers 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 Anchor Investor Escrow Account 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 Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, all editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana where our Registered and Corporate 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, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 Filing with the RoC

a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 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.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within three Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date, in accordance with the applicable provisions of the SEBI ICDR Regulations;

- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- that if 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; and

- except for the Pre-IPO Placement, 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 refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake, in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares that:

- the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- it is the legal and beneficial owner of the Offered Shares, and that the Offered Shares shall be transferred in the Offer, free from encumbrances;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person (whether related to itself or not) for making a Bid in the Offer, and

- it shall not have recourse to its proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received;

- that 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; and

- that it shall provide assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to its respective portion of the Offered Shares.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements which are specifically confirmed or undertaken by the Selling Shareholders in relation to themselves and their respective portion of Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

Utilisation of Offer Proceeds

All the monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

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. The government bodies responsible for granting foreign investment approvals under the Consolidated FDI Policy and FEMA are the concerned ministries or departments of the Government of India and the RBI.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 ("**Consolidated FDI Policy**"), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on Consolidated FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DPIIT issues an updated circular.

On October 17, 2019, the Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. 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 the Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Pursuant to the resolution dated March 16, 2023 passed by our Board and resolution dated March 20, 2023 passed by our shareholders, the aggregate investment limit by NRIs and OCIs was increased from 10% to 24% of the paid-up equity share capital of our Company, provided however, that the shareholding of each NRI or OCI shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time and the total holdings of all NRIs and OCIs put together shall not exceed 24% of the total paid-up equity capital on a fully diluted basis.

As per the existing policy of the Government, OCBs cannot participate in the Offer. For further details, see *"Offer Procedure"* beginning on page 347.

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of Equity Shares in the United States.

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 Selling Shareholders, the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the annual general meeting of our Company held on September 26, 2023. These Articles have been adopted as the Articles of Association of our Company in substitution for and to the exclusion of all the existing Articles thereof.

The Articles of Association are divided in two parts of which, the first part, Part A shall continue to be in effect after the date of listing of the Equity Shares on the stock exchange(s), in conformity with the requirements and directions provided by the SEBI and the Stock Exchanges. Part A contains such other articles as required by a public limited company under Applicable Law (including the Companies Act, 2013) and excludes all shareholder rights which are contained in the extant Articles of the Company. The second part, Part B contains the extant Articles of our Company which comprises of rights provided in accordance with the terms of the Piramal DTD. Part B will automatically terminate and cease to have any force and effect from the date of the debenture final settlement date, without any further action by our Company or by the Shareholders and Part A will continue to be in effect and the provisions of the Part A will automatically come in effect and be in force, without any further corporate or other action by the parties

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

PART A

Authorised Share Capital

The articles provide that the authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as may from time to time be provided in Clause V of the Memorandum of Association, with power to increase or reduce such capital and/or the nominal value of the shares forming part thereof from time to time and power to divide share capital into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations 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.

Sub-Division, Consolidation and Cancellation of Share Capital

The articles provide that subject to the provisions of the Act, the Company may:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act;

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; and

(f) The cancellation of shares under point (c) above shall not be deemed to be a reduction of the authorised share capital.

Variation of Shareholders' Rights

The articles provide that:

(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 Section 48 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less 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 issued shares of that class, as prescribed by the Act.

(b) Subject to the provisions of the Act, to every such separate meeting, the provisions of the Articles of the Company relating to meeting shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

Share Certificate

The articles provide that every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in their name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within such other period as any other legislation for time being in force may provide or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as any other legislation for time being in force may provide. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders. The Company may issue several certificates, each for one or more of their shares, upon payment of twenty rupees for each certificate after the first.

Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two (2) directors or by a director and the company secretary, wherever the Company has appointed a company secretary.

The Company may sub-divide or consolidate the share certificates.

Lien

The articles provide that the Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid-up share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of 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.

The articles provide that 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.

The articles provide that the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has 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 or otherwise.

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.

The articles provide that to give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

The articles provide that 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.

The articles provide that 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.

The articles provide that the provisions of the Articles of the Company relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

Forfeiture of Shares

The articles provide that 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.

The articles provide that the notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service 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 respect of 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.

The articles provide that 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 applicable law.

The articles provide that any share forfeited in accordance with the Articles of the Company, 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.

The articles provide that 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.

The articles provide that 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.

The articles provide that 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 the Articles of the Company expressly saved.

The articles provide that 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.

The articles provide that 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.

The articles provide that 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.

The articles provide that 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.

The articles provide that:

(a) A forfeited share may be sold or reallotted otherwise disposed of on such terms and in such manner as the Board thinks fit.

(b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

The articles provide that 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.

The articles provide that the provisions of the Articles of the Company 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.

The articles provide that the provisions of the Articles of the Company relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

Transfer and Transmission of Shares

The articles provide that:

(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 in respect 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 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.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

The articles provide that subject to the provisions of the Articles of the Company and other applicable provisions of the Act or any other law for the time being in force, 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 the Articles of the Company 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 in the Company, after providing sufficient cause, within a period of thirty (30) days 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. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being 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. Transfer of shares/debentures in whatever lot shall not be refused.

The articles provide that where in the case of partly paid-up 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.

The articles provide that 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.

The articles provide that no share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid-up shares through a legal guardian.

The articles provide that subject to the provisions of the Act and the Articles of the Company, 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 the Articles of the Company, 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.

The articles provide that a person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be 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.

The articles provide that 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.

The articles provide that the provisions of the Articles of the Company, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

Vote of Members

The articles provide that subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares shall have voting rights in proportion to his share in the paid-up equity share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

The articles provide that in case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

The articles provide that 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.

The articles provide that no Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by such Member have been paid, or in regard to which the Company has lien and has exercised any right of lien.

The articles provide that subject to the provisions of the Act and the Articles of the Company, 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.

The articles provide provides that 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.

The articles provide that 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.

The articles provide that 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).

Directors

The articles provide that 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 taking approval of the shareholders as per applicable provisions / laws.

The articles provide that the Board of the Company shall at all times be constituted in compliance with the applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Proceedings of the Board of Directors

The articles provide that:

(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of 120 (one hundred and twenty) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting 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.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any Committee thereof, through electronic mode, that is, by way of video conferencing or by any other 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.

Borrowing Powers

The articles provide that:

(a) Subject to the provisions of the Act and the Articles of the Company, the Board may from time to time at their 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 (*as defined under Section 180(1) of the Act*) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by approval of Shareholders at a General Meeting as per applicable provisions / laws, exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium.

Provided that every such approval of Shareholders by the Company in General Meeting as per applicable provisions / laws 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 the same shall be in the interests of the Company.

(d) 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 as per applicable provisions / laws.

Managing Director(s) and/or Whole-Time Directors

The articles provide that:

(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-time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members, as required under applicable law.

(d) If a managing director and/or whole-time director ceases to hold office as Director, he shall ipso 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.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

The articles provide that 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 it may 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, 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 authorising 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.

Dividend

The articles provide that the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

The articles provide that 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.

The articles provide that:

(a) Where capital is paid in advance of calls on shares, 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 within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the 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 R R Kabel 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 be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act subject to the provisions of the Act and the rules.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

The articles provide that 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 shares in 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.

The articles provide that 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.

The articles provide that -

(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 discretion of 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 business of the Company or be invested in such investments (other than shares of the Company) as the 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.

The articles provide that 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.

The articles provide that the Board may retain dividends payable upon shares in respect of which any person is, under Articles 66 to 69 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

The articles provide that 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.

The articles provide that 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.

The articles provide that No dividends shall bear interest against the Company.

The articles provide that 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.

Winding Up

The articles provide that subject to the applicable provisions of the Act:

(a) If the Company shall be wound up, the liquidator may, with the sanction of Shareholders of the Company as per applicable provisions / laws and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

Indemnity

The articles provide provides that subject to the provisions of the Act and other applicable law, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in his capacity as Director or Officer of the Company including in relation to 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, wilful misconduct or bad faith acts or omissions of such Director or officer of the Company.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights and obligations of certain Shareholders pursuant to the SHA and the SHA Amendment. For more details of the SHA and the SHA Amendment, see *"History and Certain Corporate Matters – Shareholders' agreements* on page 197.

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 which will be filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office between 10 a.m. to 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at www.azad.in/[●] and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

A. Material contracts for the Offer

(1) Offer Agreement dated September 29, 2023 entered into amongst our Company, the Selling Shareholders and the BRLMs.

(2) Registrar Agreement dated September 29, 2023 entered into amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

(3) Cash Escrow and Sponsor Bank Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Public Offer Bank and the Refund Bank(s).

(4) Share Escrow Agreement dated [●] entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent.

(5) Syndicate Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and Syndicate Members.

(6) Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

(7) Underwriting Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

(1) Certified copies of MoA and AoA, as amended from time to time.

(2) Certificate of incorporation of the Company dated September 14, 1983, and fresh certificate of incorporation dated September 5, 2023, issued to our Company by the RoC.

(3) Shareholders' agreement dated October 11, 2022, entered into between and amongst our Company, Rakesh Chopdar, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital, and parties deemed to be parties to the agreement pursuant to the respective deed of adherence, namely Nikhat Zareen, Pranavi Chandra, Pusarla Venkata Sindhu, Sachin Tendulkar, Saina Nehwal, Venkatsai Laxman Vangipurapu, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao.

(4) Shareholders' waiver cum amendment agreement dated September 23, 2023, to the Shareholders' Agreement, entered into amongst our Company, Rakesh Chopdar, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital, and parties deemed to be parties to the agreement pursuant to the respective deed of adherence, namely Nikhat Zareen, Pranavi Chandra, Pusarla Venkata Sindhu, Sachin Tendulkar, Saina Nehwal, Venkatsai Laxman Vangipurapu, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao.

(5) Share purchase agreement dated October 11, 2022, executed between DMI Finance Limited, Anshuman Madan Malur, Shakendra Bhandari and Yatharth Ratadiya, and our Company, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Vankata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited, Plutus Capital.

(6) Share purchase agreement dated February 23, 2023 entered into by and among our Company, our Promoter and Venkatsai Laxman Vangipurapu.

(7) Share purchase agreement dated February 22, 2023, entered into by and among our Company, our Promoter and Saina Nehwal.

(8) Share purchase agreement dated February 21, 2023, entered into by and among our Company, our Promoter and Sachin Ramesh Tendulkar.

(9) Share purchase agreement dated February 23, 2023 entered into by and among our Company, our Promoter and Pusarla Venkata Sindu.

(10) Share purchase agreement dated February 23, 2023 entered into by and among our Company, our Promoter and Velagapudi Pranavi Chandra.

(11) Share purchase agreement dated February 23, 2023 entered into by and among our Company, our Promoter and Nikhat Zareen.

(12) Share purchase agreement dated February 21, 2023 entered into by and among our Company, our Promoter, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao.

(13) Share purchase agreement dated September 16, 2023, entered into by and among our Promoter, our Company and Swastik Coaters Private Limited.

(14) Share purchase agreement dated September 16, 2023, entered into by and among our Promoter, our Company and Rouland Chemical Private Limited.

(15) Share subscription agreement dated October 11, 2022, entered into by and among our Company, our Promoter, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Vivek Mundra, Nageshwar Reddy Duvvur, Bindiya Mahapatra, Venkata Krishnam Raju Alluri, Vijay Kumar Raju Alluri, Pilot Consultants Private Limited and Plutus Capital.

(16) Deed of adherence dated February 17, 2023, entered into by and among our Company, our Promoter, Venkata Subbaraju Penmetsa, Rajyalakshmi Penmetsa, Asian Institute of Gastro Enterology Private Limited, Chamudeswara Nath Vankina, Venkat Rao Guduru, Dheeraj Reddy Endela, Anitha Mudireddy, Anupa Sajjanar, Milind Chama and N Srinivas Rao

(17) Deed of adherence dated February 21, 2023, entered into by and among our Company, our Promoter and Sachin Ramesh Tendulkar.

(18) Deed of adherence dated February 22, 2023, entered into by and among our Company, our Promoter and Saina Nehwal.

(19) Deed of adherence dated February 23, 2023 entered into by and among our Company, our Promoter and Venkatsai Laxman Vangipurapu.

(20) Deed of adherence dated February 23, 2023 entered into by and among our Company, our Promoter and Pusarla Venkata Sindu.

(21) Deed of adherence dated February 23, 2023 entered into by and among our Company, our Promoter and Velagapudi Pranavi Chandra.

(22) Deed of adherence dated February 23, 2023 entered into by and among our Company, our Promoter and Nikhat Zareen.

(23) Debenture trust deed dated August 12, 2022, entered into by and among our Company, our Promoter and Piramal Trusteeship Services Private Limited.

(24) Amendment agreement dated September 23, 2023, to the debenture trust deed dated August 12, 2022, entered into by and among our Company, our Promoter and Piramal Trusteeship Services Private Limited.

(25) Lease deed dated September 27, 2023, by and among our Company and Rouland Chemicals Private Limited.

(26) Lease deed dated September 27, 2023, by and among our Company and Swastik Coaters Private Limited.

(27) Non-disposal undertaking dated August 12, 2022, entered into by and among our Company, our Promoter and Piramal Trusteeship Services Private Limited.

(28) Personal guarantee dated August 12, 2022, provided by our Promoter in favour of Piramal Trusteeship Services Private Limited.

(29) Personal guarantee dated February 18, 2022, provided by our Promoter in favour of Union Bank of India, IndusInd Bank Limited and ICICI Bank Limited.

(30) Personal guarantee dated February 18, 2022, provided by our Promoter in favour of Union Bank of India and IndusInd Bank Limited.

(31) Personal guarantees dated July 9, 2019 and October 18, 2021, provided by our Promoter in favour of Tata Capital Financial Services Limited.

(32) Unattested shares pledge agreement dated August 12, 2022, entered into by and among our Company, our Promoter and Piramal Trusteeship Services Private Limited.

(33) Resolution of our Board dated September 14, 2023, approving the remuneration to be paid to our Chairman and CEO.

(34) Resolution of our Board dated September 14, 2023, approving the remuneration to be paid to our Whole-time Directors.

(35) Resolution of our Board dated September 14, 2023, authorising the Offer and other related matters.

(36) Resolution of our Board dated September 29, 2023, taking on record the approval for the Offer for Sale by the Selling Shareholders.

(37) Shareholders' resolution dated September 15, 2023, approving the Fresh Issue and other related matters.

(38) Resolution of the Audit Committee dated September 29, 2023, approving our key performance indicators.

(39) Resolution of the Board of Directors dated September 29, 2023, approving this DRHP.

(40) Consent letter dated September 29, 2023, provided by Rakesh Chopdar, consenting to participate in the Offer for Sale.

(41) Consent letter dated September 29, 2023, provided by Piramal Structured Credit Opportunities Fund, consenting to participate in the Offer for Sale.

(42) Consent letter dated September 29, 2023, provided by DMI Finance Private Limited, consenting to participate in the Offer for Sale.

(43) Consent dated September 29, 2023, from our Statutory Auditor, namely, M S K A & Associates, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of their (a) examination report dated September 22, 2023, on the Restated Financial Information, and (b) report dated September 29, 2023, on the statement of special tax benefits available to the Company and our Shareholders and such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

(44) The examination report dated September 22, 2023, of our Statutory Auditor on the Restated Financial Information, included in this Draft Red Herring Prospectus.

(45) The statement of special tax benefits dated September 29, 2023, from our Statutory Auditors.

(46) Consents of our Directors, our Company Secretary and Compliance Officer, legal advisors to the Offer, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members, lenders to the Company, and the Registrar to the Offer, Monitoring Agency, to act in their respective capacities.

(47) Consent dated September 29, 2023, from P. Kanaka Rao, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act 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 Engineer, in relation to the certificate dated September 29, 2023, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this DRHP.

(48) Certificate dated September 29, 2023, from Independent Chartered Accountant with respect to our key performance indicators.

(49) Consent letter dated September 28, 2023, from EY LLP with respect to the EY Report.

(50) Industry Report titled "*Industry Overview for Azad Engineering*" dated September 27, 2023, prepared and issued by EY LLP and commissioned and paid for by the Company, exclusively for the purpose of this Offer.

(51) Copies of annual reports of our Company for the preceding three Fiscals i.e., Fiscals 2023, 2022 and 2021.

(52) Due diligence certificate dated September 29, 2023, addressed to SEBI from the BRLMs.

(53) Tripartite agreement dated June 26, 2023, amongst our Company, CDSL and Registrar to the Offer.

(54) Tripartite agreement dated August 2, 2023, between our Company, NSDL and Registrar to the Offer.

(55) In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

(56) 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 with the provisions contained in the Companies Act and other applicable law.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rakesh Chopdar

Chairman and CEO

Date: September 29, 2023

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Jyoti Chopdar

Whole-Time Director

Date: September 29, 2023

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vishnu Pramodkumar Malpani

Whole-Time Director

Date: September 29, 2023

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Michael Joseph Booth

Independent Director

Date: September 29, 2023

Place: Stevenston, United Kingdom

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Subba Rao Ambati

Independent Director

Date: September 29, 2023

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Madhusree Vemuru

Independent Director

Date: September 29, 2023

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, rules or regulations issued by the Government of India or the guidelines, rules, or regulations 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, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules made, guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Ronak Jajoo

Chief Financial Officer

Date: September 29, 2023

Place: Hyderabad

DECLARATION

I, Rakesh Chopdar, acting as the Promoter Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, as the Promoter Selling Shareholder, for any other statements, disclosures and undertakings including statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Rakesh Chopdar

Place: Hyderabad

Date: September 29, 2023

DECLARATION

We, Piramal Structured Credit Opportunities Fund (whose trustee is Vistra ITCL (India) Limited), the Investor Selling Shareholder hereby confirm that all statements specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as the Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Signed on behalf of Piramal Structured Credit Opportunities Fund, acting through and duly represented by its investment manager Piramal Alternatives Private Limited

Name: Gurudutta Mishra

Designation: Principal

Place: Mumbai

Date: September 29, 2023

DECLARATION

We, DMI Finance Private Limited, acting as the Other Selling Shareholder hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as the Other Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility as the Other Selling Shareholder, for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF DMI FINANCE PRIVATE LIMITED

Name: Anshuman Malur

Designation: Portfolio Manager – Asset Management

Place: Mumbai

Date: September 29, 2023