



AJAX ENGINEERING LIMITED



(Please scan this QR Code to view the Prospectus)

Our Company was incorporated as 'Ajax Fiori Engineering (India) Private Limited' on July 3, 1992, at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956 pursuant to certificate of incorporation issued by the Registrar of Companies, Karnataka at Bengaluru ("RoC"). Separately, an entity named 'Ajax Engineering Private Limited' ("Pre-merger AEPL") was incorporated as private limited company under the Companies Act, 1956 pursuant to certificate of incorporation dated December 30, 1983 issued by the RoC. Pre-merger AEPL and Ajax Construtech Private Limited were later merged into our Company pursuant to the scheme of arrangement approved by the National Company Law Tribunal, Bengaluru, vide its order dated March 6, 2019 with the appointed date of April 1, 2018 ("Scheme of Arrangement"). Pursuant to the Scheme of Arrangement, the name of our Company was changed from 'Ajax Fiori Engineering (India) Private Limited' to 'Ajax Engineering Private Limited' and a fresh certificate of incorporation was issued on March 15, 2019 by the RoC. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Ajax Engineering Limited' pursuant to a Shareholders' resolution dated August 9, 2024 and a fresh certificate of incorporation dated September 23, 2024 was issued by the Registrar of Companies, Central Processing Centre. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 172 of the prospectus dated February 12, 2025 ("Prospectus") filed with the RoC.

Registered and Corporate Office: 253/1, 11th Main Road, 3rd Phase, Peenya Industrial Area, Bengaluru - 560 058, Karnataka, India;
Tel: +91 82 9633 6111; Website: www.ajax-engg.com; Contact Person: Shruti Vishwanath Shetty, Company Secretary and Compliance Officer; E-mail: complianceofficer@ajax-engg.com; Corporate Identity Number: U28245KA1992PLC013306

THE PROMOTERS OF OUR COMPANY ARE KRISHNASWAMY VIJAY, JACOB JITEN JOHN, KALYANI VIJAY, MADHURI VIJAY, PRASHANTH VIJAY, RACHEL REKHA HANSEN, SAVITHA CHRISTEENA ALEXANDER, SEAN ALEXANDER, GREEN HAVEN TRUST, OHANA TRUST, JACOB HANSEN FAMILY TRUST AND THE JOHNS LOAVES TRUST

Our Company has filed the Prospectus with the RoC and the Equity Shares (as defined below) are proposed to be listed on the Main Board platform of the Stock Exchanges and the trading is expected to commence on February 17, 2025.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 20,180,446 EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF AJAX ENGINEERING LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹629[^] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹628[^] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹12,688.84 MILLION[^] (THE "OFFER"), THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS (DEFINED BELOW), CONSISTING OF 1,716,102 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING TO ₹1,079.03 MILLION[^] BY KRISHNASWAMY VIJAY, 1,716,102 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING TO ₹1,079.03 MILLION[^] BY KALYANI VIJAY, 2,288,136 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING TO ₹1,438.71 MILLION[^] BY JACOB JITEN JOHN, 5,593,221 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING TO ₹3,516.85 MILLION[^] BY JACOB HANSEN FAMILY TRUST (COLLECTIVELY REFERRED TO AS "PROMOTER SELLING SHAREHOLDERS"), 7,436,800 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING TO ₹4,676.03 MILLION[^] BY KEDAARA CAPITAL FUND II LLP ("KEDAARA CAPITAL", THE "INVESTOR SELLING SHAREHOLDER") AND 1,430,085 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING TO ₹899.19 MILLION[^] BY SUSIE JOHN ("PROMOTER GROUP SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDERS, ALONG WITH THE INVESTOR SELLING SHAREHOLDER AND PROMOTER GROUP SELLING SHAREHOLDER, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", AND TOGETHER, THE "OFFER"). THE OFFER INCLUDED A RESERVATION OF 78,947 EQUITY SHARES OF FACE VALUE OF ₹1 EACH (CONSTITUTING TO 0.07% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) AGGREGATING TO ₹45.00 MILLION[^] FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFERED A DISCOUNT OF TO 9.38% TO THE OFFER PRICE EQUIVALENT OF ₹59.00 PER EQUITY SHARE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

[^]A discount of ₹59.00 per Equity Share was offered to Eligible Employees bidding in the Employees Reservation Portion.

ANCHOR INVESTOR OFFER PRICE: ₹ 629 PER EQUITY SHARE OF FACE VALUE OF ₹ 1 EACH
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THE OFFER PRICE IS 629 TIMES THE FACE VALUE OF THE EQUITY SHARES.

RISKS TO INVESTORS

(For details refer to the section titled "Risk Factors" on page 27 of the Prospectus)

1. **Business Concentration Risk:** We derive a significant majority of our revenue from the sale of self-loading concrete mixers (SLCMs), and the table below sets forth details of our sales of SLCMs in the corresponding Fiscals/ periods.

Particulars	September 30,		Fiscal Year		
	2024	2023	2024	2023	2022
Revenue from operations (₹ in million)	7,699.85	6,848.59	17,414.03	11,511.28	7,632.89
SLCM unit sales (number)	1,933	1,768	4,625	2,962	1,930
Revenue from Sale of SLCMs (₹ in million)	6,274.12	5,595.68	14,825.04	9,561.68	5,911.24
Sale of SLCMs, as % of our revenue from operations	81.48%	81.71%	85.13%	83.06%	77.44%

2. **Seasonality Risk:** Our business is seasonal in nature. Demand for concrete equipment during the months of July and August is typically affected by the monsoon season, with an increase following the festival season that commences in October and continues until the end of the fiscal year.
3. **Offer Related Risk:** This Offer is 100% Offer for Sale of Equity Shares and the entire proceeds from the Offer for Sale will be received by each of the Selling Shareholders, to the extent of their respective portion of the Offered Shares, and our Company will not receive any proceeds from the Offer.
4. **Risk due to fluctuation in raw material prices:** Fluctuations in prices of materials, and disruptions in the timely availability of materials could have an adverse effect on our business, results of operations, financial condition and cash flows.
5. **Operational Risk:** We currently assemble substantially all SLCMs at our Obadenahalli Facility aggregating to 99.06%, 98.83%, 98.41% and 96.98% of all SLCMs manufactured by us during the six months period ended September 30, 2024 and Financial Years 2024, 2023 and 2022, respectively.
6. **Financial / Governance Risk:** Our Statutory Auditors' audit reports and its annexures which discloses matters specified in the Companies (Auditor's Report) Order, 2020 for the past three Financial Years have included certain modifications relating to, among other matters, quarterly statements filed with banks, audit trail facility and scope and frequency of internal audits.
7. **Risk Related to Promoter Group:** One of the members of our Promoter Group has not consented to the inclusion of, nor has he provided any information/confirmations pertaining to himself or his connected entities, which are required to be disclosed in the Prospectus. The disclosures relating to this member of the Promoter Group is based on information available in public domain. Accordingly, we cannot assure you that such disclosures are accurate, complete, or up to date.
8. **Regional concentration risk:** We have four operational assembling and manufacturing facilities and one additional expansion facility currently under construction, all situated in the state of Karnataka which exposes us to regional risks and adverse events specific to the state.
9. **Risk relating to manufacturing facility:** The leases for two of our assembling and manufacturing facilities have expired. While we have made applications to obtain ownership of these land parcels, there can be no assurance that we will be successful.

10. **Compliance Risk:** There have been few instances of non-compliances, including with respect to certain regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.
11. The average cost of acquisition per Equity Share and acquired by our Selling Shareholders, as on the date of Prospectus is as stated in the below table and the Offer Price at the upper end of the price band is ₹ 629 per equity share.

Name of the Selling Shareholder	Number of specified securities acquired	Average cost of acquisition per equity share (in ₹)*
Krishnaswamy Vijay	6,861,200	Nil
Kalyani Vijay	7,408,400	0.19
Jacob Jiten John	3,000,000	Nil
Jacob Hansen Family Trust	17,297,297	Nil
Kedaara Capital Fund II LLP	7,436,800	323.41
Susie John	6,432,400	Nil

*As certified by S. K. Patodia & Associates, LLP, Chartered Accountants, by way of certificate dated February 12, 2025.

12. Weighted average cost of acquisition of all specified securities transacted over the three years, 18 months and one year preceding the date of Prospectus:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹)*	Cap Price is 'X' times the WACA*	Range of acquisition price: lowest price – highest price (in ₹)*
Last three years	Nil	N.A.	N.A.
Last 18 months	Nil	N.A.	N.A.
Last one year	Nil	N.A.	N.A.

*As certified by S. K. Patodia & Associates, LLP, Chartered Accountants, by way of certificate dated February 12, 2025.

13. The five BRLMs associated with the Offer have handled 112 public issues in the past three financial years, out of which 30 issues closed below the Offer Price on listing date:

Name of the BRLMs	Total Public Issues	Issues closed below Offer Price on listing date
ICICI Securities Limited*	19	5
Citigroup Global Markets India Private Limited*	4	1
JM Financial Limited*	20	6
Nuvama Wealth Management Limited*	10	3
SBI Capital Markets Limited*	12	5
Common Issues handled by the BRLMs	47	10
Total	112	30

*Issues handled where there are no common BRLMs

