**DRAFT RED HERRING PROSPECTUS**
Dated March 27, 2025
*(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**

*(Please scan this QR code to view the DRHP)*

# ARDEE ENGINEERING LIMITED

**CORPORATE IDENTITY NUMBER**: U29100TG2020PLC141953

| REGISTERED AND CORPORATE OFFICE | CONTACT PERSON | TELEPHONE AND E-MAIL | WEBSITE |
|---|---|---|---|
| 8-2-334/K/1, Flat Nos. 101, 102 and 103 Aditya Court Road No.5, Banjara Hills, Hyderabad 500 034 Telangana, India | Disha Jindal<br>*Company Secretary and Compliance Officer* | **Tel:** +91 40 2354 3451<br>**E-mail:** compliance@ardee.co.in | www.ardee.co.in |

**OUR PROMOTERS: CHANDRA SEKHAR MOTURU, RAGDEEP MOTURU, ARUNDEEP MOTURU AND KRISHNA KUMARI MOTURU**

**DETAILS OF THE OFFER**

| Type | Fresh Issue size^ | Offer for Sale size | Total Offer size | Eligibility and share reservation among QIBs, NIIs and RIIs |
|---|---|---|---|---|
| Fresh Issue and Offer for Sale | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,000.00 million | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,800.00 million | The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, ("**SEBI ICDR Regulations**") and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, as our Company did not fulfil requirements under Regulations 6(1)(a) of the SEBI ICDR Regulations i.e. our monetary assets was more than 50% of the net tangible assets in the Fiscals 2022 and 2023. For further details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 393. For details in relation to share allocations and reservation among QIBs, NIIs and RIIs, see "***Offer Structure***" on page 413. |

**DETAILS OF THE OFFER FOR SALE**

| Name of the selling shareholder | Type | Number of Equity Shares offered/ Amount (₹ in million) | Weighted average cost of acquisition per Equity Share (in ₹)[1] |
|---|---|---|---|
| Chandra Sekhar Moturu | Promoter Selling Shareholder | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million | 11.00 |

(1) *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*

**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 the Equity Shares is ₹5 each. The Floor Price, Cap Price and Offer Price, as determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "***Basis for Offer Price***" on page 139 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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 33.

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

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that 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. Further, the Promoter Selling Shareholder accepts responsibility for and confirms only the statements specifically made or confirmed by the Promoter Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to it and/or its Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other person(s) in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares 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**", and together with the BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange shall be [●].

**BOOK RUNNING LEAD MANAGERS**

| | | | |
|---|---|---|---|
| IIFL CAPITAL | **IIFL Capital Services Limited**<br>*(formerly known as IIFL Securities Limited)* | **Contact Person:**<br>Yogesh Malpani / Khushi Bhatia | **Tel:** + 91 22 4646 4728<br>**E-mail:** ardee.ipo@iiflcap.com |
| JM FINANCIAL | **JM Financial Limited** | **Contact Person:**<br>Prachee Dhuri | **Tel:** +91 22 6630 3030<br>**E-mail:** ardee.ipo@jmfl.com |

**REGISTRAR TO THE OFFER**

| | | | |
|---|---|---|---|
| | **Bigshare Services Private Limited** | **Contact Person:**<br>Vinayak Morbale | **Tel:** +91 22 6263 8200<br>**E-mail:** ipo@bigshareonline.com |

**BID/OFFER PERIOD**

| | | | | | |
|---|---|---|---|---|---|
| **ANCHOR INVESTOR BIDDING DATE** | [●](1) | **BID/ OFFER OPENS ON** | [●] | **BID/ OFFER CLOSES ON** | [●](2)(3) |

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

(2) *Our Company 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.*

(3) *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

^ *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

**DRAFT RED HERRING PROSPECTUS**
Dated March 27, 2025
*(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**

# ARDEE ENGINEERING LIMITED

Our Company was originally formed as a partnership firm 'Ardee Engineering Company' pursuant to a partnership deed dated January 18, 2008 in Hyderabad, Andhra Pradesh, registered under the Indian Partnership Act, 1932 bearing firm registration number 253 of 2008, issued by Government of Andhra Pradesh dated February 6, 2008. Subsequently, pursuant to a certificate of incorporation dated July 20, 2020, issued by the Registrar of Companies, Central Registration Centre the partnership firm was converted into and was registered as a private limited company under the provision of Chapter XXI of the Companies Act, 2013 under the name 'Ardee Engineering Private Limited'. Further, pursuant to a board resolution dated June 3, 2024 and shareholders' resolution dated June 5, 2024, 'Ardee Engineering Private Limited' was converted into a public limited company and the name of our Company was changed to 'Ardee Engineering Limited', and a fresh certificate of incorporation dated August 5, 2024 was issued by the Registrar of Companies, Central Registration Centre. For details in relation to the changes in the name of our Company, see "***History and Certain Corporate Matters – Brief history of our Company***" on page 255.

**Corporate Identity Number:** U29100TG2020PLC141953
**Registered and Corporate Office:** 8-2-334/K/1, Flat Nos. 101, 102 and 103 Aditya Court, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India
**Contact Person**: Disha Jindal, Company Secretary and Compliance Officer
**Tel**: +91 40 2354 3451 | **E-mail**: compliance@ardee.co.in | **Website**: www.ardee.co.in

## OUR PROMOTERS: CHANDRA SEKHAR MOTURU, RAGDEEP MOTURU, ARUNDEEP MOTURU AND KRISHNA KUMARI MOTURU

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF ARDEE ENGINEERING LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH (THE "OFFER PRICE") AGGREGATING UP TO ₹5,800.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH BY OUR COMPANY AGGREGATING UP TO ₹5,000.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹800.00 MILLION BY CHANDRA SEKHAR MOTURU (THE "PROMOTER SELLING SHAREHOLDER") AND SUCH OFFER BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER AN ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER THE APPLICABLE LAW, AGGREGATING UP TO ₹1,000.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE UTILIZATION OF PROCEEDS RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE DONE TOWARDS THE OBJECTS OF THE OFFER IN COMPLIANCE WITH APPLICABLE LAW. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20.00% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARES. THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED TELUGU DAILY NEWSPAPER, TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.**

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding the Anchor Investor Portion) (the "**Net QIB Category**"). Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from the Mutual Funds is less than 5% of the Net QIB Category, the balance Equity Shares available for allocation will be added to the remaining QIB Category for proportionate allocation to QIBs. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**NIIs**") ("**Non-Institutional Category**"), of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Investors ("**RIIs**") ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID in case of UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "***Offer Procedure***" beginning on page 417.

## RISKS IN RELATION TO 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 the Equity Shares is ₹5 each. The Floor Price, Cap Price and Offer Price, as determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "***Basis for Offer Price***" on page 139 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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 33.

## ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that 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. Further, the Promoter Selling Shareholder accepts responsibility for and confirms only the statements specifically made or confirmed by such Promoter Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to it and/or its Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other person(s) in this Draft Red Herring Prospectus.

## LISTING

The Equity Shares 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 listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A signed 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 until the Bid/ Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 463.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER |
|---|---|---|
| **IIFL Capital Services Limited**<br>*(formerly known as IIFL Securities Limited)*<br>24th floor, One Lodha Place<br>Senapati Bapat Marg, Lower Parel (West)<br>Mumbai 400 013<br>Maharashtra, India<br>**Tel:** + 91 22 4646 4728<br>**E-mail:** ardee.ipo@iiflcap.com<br>**Investor grievance e-mail:** ig.ib@iiflcap.com<br>**Contact person:** Yogesh Malpani / Khushi Bhatia<br>**Website:** www.iiflcap.com<br>**SEBI registration number:** INM000010940 | **JM Financial Limited**<br>7th Floor, Cnergy<br>Appasaheb Marathe Marg<br>Prabhadevi, Mumbai 400 025<br>Maharashtra, India<br>**Tel:** +91 22 6630 3030<br>**E-mail:** ardee.ipo@jmfl.com<br>**Investor grievance e-mail:** grievance.ibd@jmfl.com<br>**Contact person:** Prachee Dhuri<br>**Website:** www.jmfl.com<br>**SEBI registration number:** INM000010361 | **Bigshare Services Private Limited**<br>S6-2, 6th Floor, Pinnacle Business Park<br>Mahakali Caves Road, next to Ahura Centre<br>Andheri East, Mumbai 400 093<br>Maharashtra, India<br>**Tel:** +91 22 6263 8200<br>**E-mail:** ipo@bigshareonline.com<br>**Investor grievance e-mail:** investor@bigshareonline.com<br>**Contact person:** Vinayak Morbale<br>**Website:** https://www.bigshareonline.com<br>**SEBI registration number:** INR000001385 |

## BID/OFFER PERIOD

| ANCHOR INVESTOR BIDDING DATE | [●][(1)] | BID/ OFFER OPENS ON | [●] | BID/ OFFER CLOSES ON | [●][(2)(3)] |
|---|---|---|---|---|---|

(1) *Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
(2) *Our Company 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.*
(3) *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

## 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, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*Unless the context otherwise indicates, all references to "**the Company**", and "**our Company**", are references to Ardee Engineering Limited, a public limited company incorporated in India under the Companies Act 2013 with its Registered and Corporate Office at 8-2-334/k/1, Flat Nos. 101, 102 and 103, Aditya Court, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India. Furthermore, unless the context otherwise indicates, all references to the terms "we", "us" and "our" are to our Company and our Associates (as defined below) on a consolidated basis.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), the Securities Contracts (Regulation) Act, 1956, as amended ("**SCRA**"), the Depositories Act, 1996, as amended or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Financial Information**", "**Outstanding Litigation and Material Developments**" and "**Main Provisions of the Articles of Association**", beginning on pages 150, 156, 249, 287, 384 and 438, respectively, will have the meaning ascribed to such terms in those respective sections.*

### Company Related Terms

| Term | Description |
|---|---|
| Articles or Articles of Association or AoA | The articles of association of our Company, as amended |
| Associates | The associates of our Company as on the date of the Draft Red Herring Prospectus in terms of Regulation 2(1)(e) of the SEBI ICDR Regulations, namely, Ingwenya Mineral Tech Private Limited and Ardee Yantrik Private Limited, as disclosed in "***Our Associates***" on page 259 |
| Audit Committee | The audit committee of our Board, as described in "***Our Management - Committees of the Board – Audit Committee***" on page 270 |
| Board or Board of Directors | The board of directors of our Company (including any duly constituted committee thereof). For details, see "***Our Management***" on page 261 |
| Chairman and Managing Director | The chairman and managing director of our Company, namely Chandra Sekhar Moturu. For details, see "***Our Management***" on page 261 |
| Chief Financial Officer | The chief financial officer of our Company, namely Krishna Kumari Moturu. For details, see "***Our Management - Key Managerial Personnel and Senior Management***" on page 277 |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, namely Disha Jindal. For details, see "***Our Management - Key Managerial Personnel and Senior Management***" on page 277 |
| Corporate Social Responsibility Committee or CSR Committee | The corporate social responsibility committee of our Board, as described in "***Our Management – Committees of the Board – Corporate Social Responsibility Committee***" on page 275 |
| Director(s) | The director(s) on our Board, as appointed from time to time. For details, see "***Our Management***" on page 261 |
| Dividend Policy | Dividend distribution policy approved and adopted by our Board on August 12, 2024 |
| Equity Shares | The equity shares of our Company of face value of ₹5 each |
| Executive Director | The executive director(s) on our Board. For details, see "***Our Management***" on page 261 |
| Group Companies | The companies identified as 'group companies' in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations including the Materiality Policy, namely, Anvizen Consultants Private Limited, ARCH Logistics Private Limited, Ardee Drives Private Limited, Ingwenya Mineral Tech Private Limited and Rotec |

| Term | Description |
|---|---|
| | Transmissions Private Limited. For details, see "***Our Group Companies***" on page 391. |
| Independent Director(s) | The independent director(s) on our Board, as described in "***Our Management***" on page 261 |
| IPO Committee | The IPO committee of our Board constituted to facilitate the process of the Offer, comprising Ragdeep Moturu, Krishna Kumari Moturu and Visweswara Prasad Yalamanchili |
| Joint Statutory Auditors | The joint statutory auditors of our Company, namely, C. Venkat Krishna & Co., Chartered Accountants (firm registration number: 004599S) and M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants (firm registration number: 001595S/ S000168) |
| Key Managerial Personnel or KMP | The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management – Key Managerial Personnel***" on page 277 |
| Materiality Policy | Policy for identification of (i) companies to be disclosed as group companies; (ii) material outstanding civil litigation proceeding involving our Company, our Promoters and our Directors; and (iii) material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board pursuant to its resolution dated March 17, 2025 |
| Memorandum of Association or MoA | The memorandum of association of our Company, as amended from time to time |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board, as described in "***Our Management – Committees of the Board – Nomination and Remuneration Committee***" on page 272 |
| Order Book | Estimated contract value of the unexecuted portion of a company's existing assigned contracts |
| Partnership Deed | The partnership deed dated January 18, 2008 entered into amongst Chandra Sekhar Moturu and Ragdeep Moturu to establish a partnership firm under the name of 'Ardee Engineering Company' to commence the business of engineering works |
| Promoter Group | The individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "***Our Promoters and Promoter Group- Promoter Group***" on page 284 |
| Promoter Selling Shareholder | Chandra Sekhar Moturu |
| Promoters | The promoters of our Company namely Chandra Sekhar Moturu, Ragdeep Moturu, Arundeep Moturu and Krishna Kumari Moturu |
| Registered Office / Registered and Corporate Office | 8-2-334/k/1, Flat Nos. 101, 102 and 103 Aditya Court, Road No.5, Banjara Hills Hyderabad 500 034, Telangana, India |
| Registrar of Companies or RoC | Registrar of Companies, Telangana at Hyderabad |
| Restated Financial Information | The restated financial information of our Company as at and for the six months ended September 30, 2024 and for the Fiscals 2024, 2023 and 2022, comprising (i) the restated consolidated statement of assets and liabilities as at September 30, 2024 and March 31, 2024, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and restated consolidated statement of cash flows for the six months ended September 30, 2024 and Fiscal 2024; and (ii) the restated standalone statement of assets and liabilities as at March 31, 2023 and March 31, 2022, restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity and restated standalone statement of cash flows for Fiscals 2023 and 2022, along with the statement of material accounting policies and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI |
| Risk management Committee | The nomination and remuneration committee of our Board, as described in "***Our Management – Committees of the Board – Risk Management Committee***" on page 274 |
| Senior Management or SM | The senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management – Senior Management***" on page 277 |
| Shareholders | The shareholders of our Company from time to time |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee of our Board, as described in "***Our Management – Committees of the Board – Stakeholders' Relationship Committee***" on page 273 |
| Manufacturing Unit 1 | Our manufacturing unit located in Sy No. 26AA, Chetlapotharam, Potharam Road, Gagillapur, Medak District 502 319, Telangana, India |

| Term | Description |
| --- | --- |
| Manufacturing Unit 2 | Our manufacturing unit located in Plot No. 125, 126, 141 and 142, Phase - III, Industrial Park, Pashamylaram 502 307, Sangareddy, Telangana, India |
| Manufacturing Unit 3 | Our manufacturing unit located in Plot No. 59, 62 and 63, Survey No. 556, IDA Patancheru, Sangareddy 502 319, Telangana, India and Survey No. 457, Phase - III, IDA, Patancheru 502 319, Sangareddy, Telangana, India |
| Manufacturing Unit 4 | Our manufacturing unit located in Plot No. 10 M3 and 10 M4 Part Phase III, TSIIC Park, Pashamylaram, Patancheru Mandal 502 307, Sangareddy, Telangana, India and Plot No. 10/K8, Phase III, Extension, IP Pashamylaram, Patancheru 502 307, Sangareddy, Telangana, India |
| Manufacturing Unit 5 | Our manufacturing unit located in Survey No. 142, 144 and 145, Edulapaka Bonangi Village, Paravada Mandal 531 021, Vishakapatnam, Andhra Pradesh, India |
| Project 1 | Two manufacturing facilities ("**PEB Manufacturing Facility**" and "**Material Handling Facility**") to be set up in Plot No. P6, P3, P7, P9, Seetharampur, Shabad Mandal, Ranga Reddy District, Telangana as described in "***Objects of the Offer***" on page 112 |
| Project 2 | A new integrated manufacturing facility to be set up in Parawada, Andhra Pradesh, as described in "***Objects of the Offer***" on page 112 |
| Whole-time Director | The whole-time director(s) on our Board. For details, see "***Our Management***" on page 261 |

### Offer Related Terms

| Term | Description |
| --- | --- |
| Abridged Prospectus | The memorandum containing such salient features of prospectus as may be specified by SEBI in this regard |
| Acknowledgment Slip | The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form |
| Allot or Allotment or Allotted | Unless the context otherwise requires, the allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Promoter Selling Shareholder as part of the Offer for Sale to the successful Bidders |
| Allotment Advice | Advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | A successful Bidder to whom an Allotment is made |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus, which will be decided by our Company in consultation with the BRLMs on the Anchor Investor Bidding Date |
| Anchor Investor Application Form | The 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 | The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed |
| Anchor Investor Offer Price | The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price<br><br>The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs |
| Anchor Investor Pay-in Date | With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations out of which 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 |
| Anchor Investor(s) | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹100 million |
| ASBA Account | A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned |

| Term | Description |
|---|---|
| | in the relevant ASBA Form and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders |
| ASBA Bidder(s) | All Bidders except Anchor Investors |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| ASBA or Application Supported by Blocked Amount | 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 specified bank account maintained with such SCSB and will include amounts blocked by UPI Bidders using the UPI Mechanism |
| Banker(s) to the Offer | Collectively, the Escrow Collection Bank, the Refund Bank, the Public Offer Account Bank and the Sponsor Bank, as the case may be |
| Basis of Allotment | Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 417 |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable<br><br>In the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and blocked in the ASBA Account of the RII upon submission of the Bid |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid Lot | [●] Equity Shares of face value of ₹5 each |
| Bid(s) | An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly |
| Bid/ Offer Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bid, being [●], which shall be published in [●] (a widely circulated English national daily newspaper), [●] (a widely circulated Hindi national daily newspaper) and the [●] (a widely circulated Telugu daily newspaper, Telugu being the regional language of Telangana, where our Registered 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 BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks. Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations |
| Bid/ Offer Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Telugu daily newspaper, Telugu being the regional language of Telangana where our Registered Office is located) |
| 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 Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus<br><br>Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor |

| Term | Description |
|---|---|
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process | Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| Book Running Lead Managers or BRLMs | The book running lead managers to the Offer, being IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* and JM Financial Limited |
| Broker Centres | Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker, provided that UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com |
| CAN or Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date |
| Cap Price | The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price |
| Cash Escrow and Sponsor Bank Agreement | The agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member(s), the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Banks, and the Refund Bank(s) for, among other things, collection of the Bid Amounts from the Anchor Investors and transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders on the terms and conditions thereof |
| CDP or Collecting Depository Participant | A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of UPI Circulars issued by SEBI as per the lists available on the websites of BSE and NSE, as updated from time to time |
| Cut-Off Price | Offer Price, which shall be any price within the Price Band, finalised by our Company in consultation with the BRLMs<br><br>Only Retail Individual Investors in the Retail Category are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price |
| Demographic Details | The details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation, bank account details, PAN and UPI ID, as applicable |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time |
| Designated Date | The date on which the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer |
| Designated Intermediary(ies) | SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time |
| 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?doRecognisedFpi=yes&intmId=3 |

| Term | Description |
|---|---|
| | 5, updated from time to time, 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 March 27, 2025 filed with SEBI and Stock Exchanges 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 |
| Eligible FPIs | FPIs that are eligible to participate in the Offer in terms of the 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 subscribe or purchase the Equity Shares offered thereby |
| Eligible NRIs | A non-resident Indian eligible to invest under Schedule III and Schedule IV of the FEMA Non-Debt Instruments Rules from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase the Equity Shares |
| Escrow Account(s) | 'No-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid |
| Escrow Collection Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●] |
| First 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 shall also appear 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 |
| Fresh Issue | The issue of up to [●] Equity Shares at ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹5,000.00 million by our Company<br><br>Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus |
| General Information Document | The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| Gross Proceeds | The gross proceeds of the Fresh Issue that will be available to our Company |
| IIFL | IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* |
| JM Financial | JM Financial Limited |
| Monitoring Agency | A credit rating agency registered with SEBI, in this case being [●] |
| Monitoring Agency Agreement | The agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus |
| Mutual Fund Portion | The portion of the Offer being 5% of the Net QIB Category consisting of [●] Equity Shares of face value of ₹5 each which shall be available for allocation to Mutual |

| Term | Description |
|---|---|
| | Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| Net QIB Category | The portion of the QIB Category less the number of Equity Shares Allotted to the Anchor Investors |
| Non-Institutional Category | The portion of the Offer, being not more than 15% of the Offer or [●] Equity Shares of face value of ₹5 each, which will be made available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹1,000,000, provided that under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price |
| Non-Institutional Investors or NIIs | All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI, that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |
| Offer | Initial public offering of up to [●] Equity Shares of face value of ₹5 each for cash at a price of ₹[●] per Equity Share aggregating up to ₹5,800.00 million comprising the Fresh Issue and the Offer for Sale<br><br>Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus |
| Offer Agreement | The agreement dated March 27, 2025 executed amongst our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer |
| Offer for Sale | The offer for sale of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million by the Promoter Selling Shareholder in the Offer. For further information, see "***The Offer***" beginning on page 83 |
| Offer Price | The final price at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of the Red Herring Prospectus and Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus |
| Offered Shares | The Equity Shares of the face value of ₹5 offered by the Promoter Selling Shareholder in the Offer by way of Offer for Sale. For further information, see "***The Offer***" on page 83 |
| Pre-IPO Placement | Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. |

| Term | Description |
|---|---|
| | Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus |
| Price Band | The price band ranging from a Floor Price of ₹[●] per Equity Share to a Cap Price of ₹[●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the BRLMs will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Telugu daily newspaper, Telugu being the regional language of Telangana, where our Registered Office is located), 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 made available to the Stock Exchanges for the purpose of uploading on their respective websites<br><br>Provided that the Cap Price shall be at least 105% of the Floor Price and shall not be greater than 120% of the Floor Price |
| Pricing Date | The date on which our Company in consultation with the BRLMs, will finalise the Offer Price |
| Prospectus | The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account | The ‘no-lien’ and ‘non-interest bearing’ bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date |
| Public Offer Account Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●] |
| QIB Bidders | QIBs who Bid in the Offer |
| QIB Category | The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer consisting of [●] Equity Shares of face value of ₹5 each which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors) |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| Red Herring Prospectus or RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Allotted 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 | The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made |
| Refund Bank | The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●] |
| Registered Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate |
| Registrar Agreement | The agreement dated March 27, 2025 entered into between our Company, the Promoter Selling Shareholder 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 | Bigshare Services Private Limited |
| Retail Category | Portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares of face value of ₹5 each which shall be available for allocation to Retail |

| Term | Description |
|---|---|
| | Individual Investors as per SEBI ICDR Regulations (subject to valid Bids being received at or above the Offer Price) |
| Retail Individual Investors or RIIs | Individual Bidders, who have Bid for the Equity Shares for the minimum application amount which is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs) |
| Revision Form | Form used by the 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)<br><br>QIB Bidders and Non-Institutional Investors 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 Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the 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 at the Designated RTA Locations in terms of the SEBI RTA Master Circular, issued by SEBI, as per the list available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and the UPI Circulars |
| Self-Certified Syndicate Bank(s) or SCSB(s) | The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time<br><br>Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on the SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on the SEBI website from time to time |
| Share Escrow Agent | Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●] |
| Share Escrow Agreement | The agreement to be entered into amongst our Company, the Promoter Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment |
| Specified Locations | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form |
| Sponsor Bank(s) | Bank(s) registered with SEBI which will be appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Request by the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars in this case being [●] |
| Syndicate Agreement | The agreement to be entered into amongst our Company, the Registrar to the Offer, the Promoter Selling Shareholder, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate |
| Syndicate Member(s) | Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations |
| Syndicate or Members of the Syndicate | Together, the BRLMs and the Syndicate Members |
| Underwriters | [●] |
| Underwriting Agreement | The agreement to be entered into amongst the Underwriters, our Company and the Promoter Selling Shareholder, on or after the Pricing Date but prior to filing of the Prospectus with the RoC |
| UPI | Unified Payments Interface, which is an instant payment mechanism, developed by NPCI |
| UPI Bidders | Collectively, individual investors who applied as (i) Retail Individual Investors in the Retail Category; and (ii) Non-Institutional Investors with a Bid size of up to ₹500,000 in the Non-Institutional Category bidding under the UPI Mechanism |

| Term | Description |
| --- | --- |
| | through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents<br><br>In accordance with the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹500,000 are required to use UPI Mechanism and are required to 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 | Collectively, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI RTA Master Circular (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022, and the circular issued by BSE having reference number 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard |
| UPI ID | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India |
| UPI Mandate Request | A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of an SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds equivalent to Bid Amount in the relevant ASBA Account through UPI, and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The bidding mechanism that shall be used by UPI Bidders to make a Bid in the Offer in accordance with UPI Circulars |
| UPI PIN | Password to authenticate UPI transaction |
| Working Day | All days on which commercial banks in Mumbai, India are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI |

## Conventional and General Terms or Abbreviations

| Term | Description |
| --- | --- |
| 3PL | Third Party Logistics |
| AGM | Annual general meeting of shareholders under the Companies Act, 2013 |
| AI | Artificial Intelligence |
| AIF | An alternative investment fund as defined in and registered with SEBI under the SEBI AIF Regulations |
| AMRUT | Atal Mission for Rejuvenation and Urban Transformation |
| AS/RS | Automated storage and retrieval systems |
| Banking Regulation Act | Banking Regulation Act, 1949 |
| BE | Budget Estimates |
| BIM | Building Information Modelling |
| BIS | Bureau of Indian Standards |
| BIS | Bureau of Indian Standards |
| Bn | Billions |
| BOP | Balance of Payments |
| BOQ | Bill of Quantities |
| BREEAM | Building Research Establishment Environmental Assessment Method |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate mean annualized growth rate for compounding values over a given time period |

| | |
|---|---|
| CAGR | Compound Annual Growth Rate |
| CAPEX | Capital Expenditure |
| CARE | CARE Analytics and Advisory Private Limited appointed by our Company pursuant to an engagement letter dated October 15, 2024 |
| CARE Report | Report titled "*Research Report on Construction Engineering*" dated March 27 2025 prepared by CARE which has been exclusively commissioned and paid for by us in connection with the Offer and is available on our Company's website at https://ardee.co.in/industry-report.html |
| CBAM | Carbon Border Adjustment Mechanism |
| CDSL | Central Depository Services (India) Limited |
| CEA | Central Electricity Authority |
| CIN | Corporate Identity Number |
| CKm | Circuit Kilometer |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970 |
| CNC | Computer Numerical Control |
| Companies Act, 1956 | The erstwhile Companies Act, 1956 along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder |
| Companies Act, 2013 | Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder |
| Consolidated FDI Policy | The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time |
| CPI | Consumer Price Index |
| CSR | Corporate Social Responsibility |
| CSR | Corporate Social Responsibility |
| CY | Calendar Year |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996, read with regulations framed thereunder |
| DFI | Development Finance Institution |
| DIN | Director Identification Number |
| DMIC | Delhi-Mumbai Industrial Corridor |
| DP ID | Depository Participant's Identity Number |
| 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 (*formerly Department of Industrial Policy and Promotion*), GoI |
| DPIIT | Department for Promotion of Industry and Internal Trade |
| DPR | Detailed Project Report |
| EBIT | Earnings before interest and tax is calculated by adding total tax expense and finance costs to restated profit after tax for the period/year and deducting other income |
| EBITDA | EBITDA is calculated as addition of restated profit before tax, finance cost and depreciation and amortisation |
| EBITDA | Earnings Before Interest, Taxes, Depreciation, and Amortization |
| EBITDA Margin | EBITDA margin is calculated division of EBITDA by revenue from operations |
| EIA | Environmental Impact Assessment |
| EPC | Engineering Procurement and Construction |
| EPS | Earnings per share |
| ESG | Environmental, Social, and Governance |
| ETS | Emissions Trading System |
| EU | European Union |
| EV | Electric Vehicles |
| EVIA | Environmental Impact Assessment |
| FAE | First Advance Estimates |
| FAT | Factory Acceptance Testing |
| FCNR Account | Foreign currency non-resident bank account established in accordance with the provisions of FEMA |
| FDI | Foreign direct investment |

| | |
|---|---|
| FDI | Foreign Direct Investment |
| FEMA | The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Non-Debt Instruments Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI |
| Financial Year or FY or Fiscal or Fiscal Year | Unless states otherwise, the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPI(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| Fraudulent Borrower | Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| FRE | First Revised Estimates |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GECL | Guaranteed emergency credit line |
| GFCF | Gross Fixed Capital Formation |
| GIS | Geographic Information System |
| GMV | Gross Merchandise Value |
| GNDI | Gross National Disposable Income |
| GoI or Government or Central Government | The Government of India |
| GST | Goods and services tax |
| GST | Goods and Services Tax |
| GVA | Gross Value Added |
| HSE | Health, Safety, and Environment |
| HUF | Hindu undivided family |
| HVAC | Heating, Ventilation, and Air Conditioning |
| ICAI | The Institute of Chartered Accountants of India |
| IEC | International Electrotechnical Commission |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| IGBC | Indian Green Building Council |
| IIP | Index of Industrial Production |
| IMF | International Monetary Fund |
| Income Tax Act | The Income-tax Act, 1961, read with the rules framed thereunder |
| Income Tax Rules | The Income-tax Rules, 1962 |
| Ind AS | The Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015 |
| Indian GAAP | Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006 and the Companies (Accounts) Rules, 2014 |
| INR | Indian Rupee |
| IoT | Internet of Things |
| IPO | Initial public offering |
| IPR | Intellectual Property Rights |
| IS | Indian Standards |
| ISRO | Indian Space Research Organisation |
| IST | Indian Standard Time |
| ITC | Input Tax Credit |
| ITR | Income Tax Return |
| JSW | Jindal South West |
| KPI | Key Performance Indicator |
| KPIL | Kalpataru Projects International Limited |
| Kv | kilovolt |

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|---|---|
| L&T | Larsen & Toubro Limited |
| LEED | Leadership in Energy and Environmental Design |
| LNG | Liquefied Natural Gas |
| LOI | Letter of Intent |
| LPI | Logistics Performance Index |
| MCA | The Ministry of Corporate Affairs, Government of India |
| MEL | Macmet Engineering Limited |
| MHE | Material Handling Equipment |
| MHS | Material Handling Systems |
| MIG | Metal Inert Gas |
| MLP | Mobile Launch Pedestals |
| Mn | Millions |
| MoEF | Ministry of Environment and Forests |
| MOSPI | Ministry of Statistics and Programme Implementation |
| MPC | Monetary Policy Committee |
| Mutual Funds | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| MVA | Mega Volt Ampere |
| N.A. | Not applicable |
| NAPCC | National Action Plan on Climate Change |
| NBC | National Building Code |
| NBFC-SI | A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |
| NEC | National Electric Code |
| NEFT | National Electronic Fund Transfer |
| NEMMP | National Electric Mobility Mission Plan |
| NIP | National Infrastructure Pipeline |
| NMP | National Monetization Pipeline |
| Non-Resident | A person resident outside India, as defined under FEMA and includes NRIs |
| NPCI | National Payments Corporation of India |
| NRI | A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| NSDL | National Securities Depository Limited |
| NSE | The 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer |
| OEM | Original Equipment Manufacturer |
| OPEX | Operational Expenditure |
| P/E Ratio | Price / earnings ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| PAT | Perform, Achieve, and Trade |
| PBT | Profit before tax |
| PBT Margin | Profit before tax margin |
| PEB | Pre - Engineered Building |
| PFB | Prefabricated Buildings |
| PFCE | Private Final Consumption Expenditure |
| PGCIL | Power Grid Corporation of India Limited |
| PHE | Public Health Engineering |
| PIF | PSLV Integration Facilities |
| PLI | Production Linked Incentive |
| PMAY | Pradhan Mantri Awas Yojana |
| PMC | Project Management Consultancy |
| PMI | Purchasing Managers' Index |
| PMKVY | Pradhan Mantri Kaushal Vikas Yojana |
| PPA | Power Purchase Agreement |
| Q-commerce | Quick Commerce |

| | |
|---|---|
| RBI | Reserve Bank of India |
| RBI | Reserve Bank of India |
| RE | Revised Estimates |
| Regulation S | Regulation S under the U.S. Securities Act |
| REIT | Real Estate Investment Trust |
| RERA | Real Estate Regulation Act |
| Resident Indian | A person resident in India, as defined under FEMA |
| ROCE | Return on Capital Employed |
| RoE | Return on Equity |
| RTGS | Real time gross settlement |
| SAT | Site Acceptance Testing |
| SCADA | Supervisory Control and Data Acquisition |
| SCRA | The Securities Contracts (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI FVCI Regulations | The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Master Circular | SEBI master circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| SEBI RTA Master Circular | SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | Erstwhile, the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 |
| SERC | State Electricity Regulatory Commissions |
| SEZ | Special Economic Zone |
| SME | Small & Medium Enterprises |
| SOP | Standard Operating Procedure |
| State Government | The government of a state in India |
| Stock Exchanges | Together, the BSE and NSE |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| TAN | Tax deduction account number |
| TCO | Total Cost of Ownership |
| TIG | Tungsten Inert Gas |
| Trade Marks Act | The Trade Marks Act, 1999 |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| U.S. QIBs | "Qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act |
| U.S. Securities Act | The U.S. Securities Act of 1933 |
| UPI | Unified Payments Interface |
| USD | US Dollar |
| USD or $ | U.S. Dollar |
| VCFs | Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations and the SEBI AIF Regulations, as the case may be |
| WEO | World Economic Outlook |
| Wilful Defaulter | Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| WRDA | Warehousing Regulatory and Development Authority |
| Year/ Calendar Year | The 12-month period ending December 31 |
| YoY | Year-on-year |
| Y-O-Y | Year- On- Year Growth |

**Technical/ Industry Related Abbreviations**

| Term | Description |
|---|---|
| CPC | Complex to handle |
| EHS | Environment, health and safety |
| HEG | Hindustan Electro-Graphites |
| HVAC | Heating, ventilation and air conditioning |
| KPCL | Krishnapatnam Port Company Limited |
| MEP | Material engineering process |
| MHS | Material handling systems |
| MLP | Mobile launch pedestal |
| MT | Metric tonne |
| MTPA | Metric tonnes per annum |
| NMDC | National Mineral Development Corporation |
| Partnership Firm | Predecessor partnership firm, through which our business was commenced in 2008 |
| PEB | Pre-engineered buildings |
| PIF | PSLV integration facilities |
| PLC | Programmable logic controller |
| PSLV | Polar satellite launch vehicle |
| QAD | Quality assurance division |
| R&D | Research and development |
| RLC | Resistor-inductor-capacitor |
| SCM | Supply chain management |
| TPH | Tonnes per hour |

## Key operating and financial information used in this Draft Red Herring Prospectus

| Term | Description |
|---|---|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps to assess the overall financial performance of the Company and size of the business |
| Closing Order Book | Closing Order Book provides details of the total value of orders in pipeline pending to be executed |
| EBITDA | EBITDA provides information regarding the operational profitability of the business. It facilitates evaluation of the year-on-year performance of the business |
| EBITDA Margin | EBITDA Margin (%) is an indicator of the operational profitability of company's business and assists in tracking the margin profile of the business and the historical performance and provides financial benchmarking against peers |
| Profit after tax (PAT) | PAT represents the profit/loss that the company's make for the financial year or during a given period. It provides information regarding the overall profitability of the company's business |
| PAT Margin | PAT Margin is an indicator of the overall profitability of the company's business and provides financial benchmarking against peers as well as to compare against the historical performance of company's business |
| Total Equity | Total equity means total equity for the period/year end as per restated financial information |
| Net Debt | Net debt reflects a company's financial health by indicating its ability to cover liabilities with available cash and near-term liquidity |
| Net Debt to Total Equity ratio | The Net Debt to Equity Ratio is a measure of the extent to which a company can cover debt and represents debt position in comparison to the company's equity position. It helps evaluate company's financial leverage |
| Net Debt to EBITDA Ratio | Net Debt to EBITDA ratio enables to measure the ability and extent to which a company can cover debt in comparison to the EBITDA being generated by the Company. |
| Return on Equity or RoE | Return on Total Equity (%) represents how efficiently a company generate profits from the shareholders' funds |
| Return on Capital Employed or RoCE | Return on Capital Employed represents how efficiently a company generate earnings before interest and tax from the capital employed |
| Revenue Split by Segment | Revenue split by segment provides information about the revenue from each of the business vertical that the company operates in |

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

**Certain Conventions**

All references in this Draft Red Herring Prospectus to 'India' are to the Republic of India and all references herein to the "US", the "U.S.", the "U.S.A." or the "United States" are to the United States of America.

All references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time and all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

**Financial and Other Data**

Unless stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated Financial Information. The Restated Financial Information comprises the restated financial information of our Company as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, comprising (i) restated consolidated statement of assets and liabilities as at September 30, 2024 and March 31, 2024, 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 six months ended September 30, 2024 and for Fiscal 2024; and (ii) the restated standalone statement of assets and liabilities as at March 31, 2023 and March 31, 2022, restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity and restated standalone statement of cash flows for Fiscals 2023 and 2022, along with the statement of material accounting policies and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI.

For further information of our Company's financial information, please see "***Financial Information***" on page 287.

There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For details, see "***Risk Factors*** – ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition***" on page 81.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Fiscal or Financial Year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 33, 219 and 343, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Financial Information.

*Non-Generally Accepted Accounting Principles Financial Measures*

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, PAT Margin, RoE, RoCE, Net Asset Value per Equity Share, Net Worth, Return on Net Worth and certain other statistical information relating to our operations and financial performance (together, "**Non-GAAP Measures**") 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, IFRS or U.S. GAAP 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, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such 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-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For the risks relating to our Non-GAAP Measures, see "***Risk Factors – We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operations and financial performance in this Draft Red Herring Prospectus that are subject to inherent measurement challenges. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial, or industry-related statistical information of similar nomenclature computed and presented by other companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool for investors and there can be no assurance that there will not be any issues or such tools will be accurate going forward***" on page 72.

**Industry and Market Data**

Unless stated otherwise, the industry and market data used in this Draft Red Herring Prospectus has been derived from industry publications, in particular, the report titled "***Research Report on Construction Engineering***" dated March 27, 2025 ("**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on October 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. Further, CARE, pursuant to their consent letter dated March 27, 2025 has accorded their no objection and consent to use the CARE Report in connection with the Offer.

CARE is an independent agency which has no relationship with our Company, our Promoters (including Promoter Selling Shareholder), members of the Promoter Group, any of our Directors, our Key Managerial Personnel, our Senior Management, Associate or the BRLMs. For risks in relation to commissioned reports, see "***Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company***" on page 71.

The CARE Report is available on the website of our Company at https://ardee.co.in/industry-report.html.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Further, industry sources and publications are also prepared based on information as of a specific date and may no longer be current or reflect current trends.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "***Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company***" on page 71. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI ICDR Regulations, the section "***Basis for Offer Price***" on page 139, includes information relating to our peer company and industry averages. Such information has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

**Currency and Units of Presentation**

All references to:

- "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India; and

- "U.S. Dollar(s)" or "USD" or "US Dollar" are to United States Dollars, the official currency of the United States of America.

All the figures in this Draft Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 10 lakhs or 1,000,000, one billion represents 1,000 million and one trillion represents 1,000 billion. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

**Exchange Rates**

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

The following table sets forth as at the dates indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(*in ₹*)

| Currency | Exchange rate as on | | | |
|---|---|---|---|---|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| USD | 83.79 | 83.37 | 82.22 | 75.81 |

*Source: www.fbil.org.in*

*Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The reference rates are rounded off to two decimal places.*

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which may include statements with respect to our business strategy, our revenue and profitability, our goals and other such matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***goal***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***projected***", "***should***" "***will***", "***will continue***", "***seek to***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our expected financial conditions, results of operations, strategies, objectives, prospects, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

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

- A majority of our revenue from operations is from our top 5 customers (which accounted for more than 60% of our total revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022). Loss of any such customers or reduction in business or demand from such customers will have a significant adverse impact on our business and results of operation;

- We depend on our PEB vertical for a significant portion of our revenues (50.20%, 50.11%, 40.87% and 71.78% of our revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022). Our inability to effectively supervise projects under our PEB vertical may lead to project delays which may adversely affect our business, results of operations, financial condition and cash flows;

- We rely on the availability of steel and other raw materials, as well as third-party suppliers and manufacturers, for the uninterrupted supply of raw materials. We do not have continuing or exclusive arrangements with any supplier, and our top 10 suppliers contribute to more than 50% of our total raw material and supply costs. The loss of key suppliers or delays in raw material deliveries could adversely impact our business, financial condition, results of operations, and cash flows;

- We have significant working capital requirements and if we experience insufficient cash flows or are unable to access suitable financing to meet working capital requirements, our business, financial condition and results of operations could be adversely affected;

- Our business is dependent and will continue to depend on our Manufacturing Units situated in Andhra Pradesh and Telangana, which exposes us to regional risks and risks in relation to our manufacturing process. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations, financial condition and cash flows;

- Our proposed under-construction facilities in Seetharampur, Telangana are constructed on land allotted by Telangana Industrial Infrastructure Corporation. Our inability to comply with conditions of the lease agreements may result in forfeiture of the land, which may have an adverse impact on our business, results of operations, financial condition and cash flows;

- The equipment quotations received for procurement using Net Proceeds are valid as of this Draft Red Herring Prospectus. However, without definitive vendor agreements, pricing and availability remain uncertain. Any cost variations or vendor changes may lead to time and cost overruns, impacting our business, financial condition, and cash flows;

- We have been earlier refused registration of our trademark "Ardee". Our inability to protect or use the "Ardee" brand name and trademark exclusively may adversely affect our business. We may also unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position;

- We derive a significant portion of our revenues from repeat orders from our customers or entities belonging to the same corporate group. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows; and

- Our actual cost incurred in completing a project may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses incurred, which could adversely affect our financial condition, results of operation and cash flows.

For a further discussion on factors that could cause our actual results to differ from our expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 33, 219 and 343, respectively.

Forward-looking statements reflect our views as of 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 Promoters, our Directors, the Promoter Selling Shareholder, the Syndicate, the Book Running Lead Managers, 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. 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.

In accordance with regulatory requirements of SEBI and as prescribed under applicable law, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of listing and trading approvals by the Stock Exchanges. In accordance with the requirements of SEBI and as prescribed under the applicable law, the Promoter Selling Shareholder will ensure (through our Company and the BRLMs) that investors are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by him in the Red Herring Prospectus until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer. Only statements and undertakings which are specifically confirmed or undertaken by the Promoter Selling Shareholder to the extent of information pertaining to himself and/or the Offered Shares, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by the Promoter Selling Shareholder.

## SUMMARY OF THE OFFER DOCUMENT

*This section 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 the sections titled "**Risk Factors**", "**The Offer**", "**Capital Structure**", "**Objects of the Offer**", "**Industry Overview**", "**Our Business**", "**Financial Information**", "**Outstanding Litigation and Material Developments**", "**Offer Procedure**" and "**Main Provisions of the Articles of Association**" beginning on pages 33, 83, 100, 112, 156, 219, 287, 384, 417 and 438, respectively, of this Draft Red Herring Prospectus.*

**Summary of our primary business**

We are an integrated design, engineering and manufacturing company in India with business in three key segments: (i) pre-engineered buildings ("**PEBs**") where we provide comprehensive PEB solutions, including design, engineering, manufacturing, on-site project management for the installation and erection of PEBs and integrated pre-engineered steel structures with an aggregate installed capacity of around 44,144 metric tonnes per annum; (ii) material handling systems where we design, engineer and construct customized material handling systems and processing systems for our customers; and (iii) engineering services where we focus on executing projects in two areas of heavy structural and precision engineering equipment, and electrical instrumentation with automation. During the past 16 years, we have successfully completed projects across 13 states.

For further information, see "***Our Business***" on page 219.

**Summary of the industry in which we operate**

According to the CARE Report, India's construction market totalled USD 288.4 billion in 2023 and is projected to grow at a CAGR of 9% from 2023 to 2029. The infrastructure sector holds the largest share, accounting for 39% of the total construction market in 2023 alongside increasing urbanization and infrastructure development. The residential construction market is expected to grow at a CAGR of 11%, while the industrial and infrastructure construction markets are each expected to grow at a CAGR of 9% from 2024 to 2029, driving demand for eco-friendly materials and energy-efficient designs. (*Source: CARE Report*)

For further information, see "***Industry Overview***" on page 156.

**Our Promoters**

The Promoters of our Company are Chandra Sekhar Moturu, Ragdeep Moturu, Arundeep Moturu and Krishna Kumari Moturu. For further details, see "***Our Promoters and Promoter Group***" on page 281.

**Offer Size**

The following table summarizes the details of the Offer. For further details, see "***The Offer***" and "***Offer Structure***" on pages 83 and 413, respectively.

<table>
<tr><td>Offer(1)(2)</td><td colspan="2">Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,800.00 million</td></tr>
<tr><td>which includes</td><td colspan="2"></td></tr>
<tr><td>Fresh Issue(1)(3)</td><td colspan="2">Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,000.00 million</td></tr>
<tr><td rowspan="2">Offer for Sale(2)</td><td>Name of the Promoter Selling Shareholder</td><td>Equity Shares offered</td></tr>
<tr><td>Chandra Sekhar Moturu</td><td>Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million</td></tr>
</table>

(1) *Our Board has authorised the Offer pursuant to its resolution dated February 28, 2025. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated March 10, 2025.*

(2) *Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated March 27, 2025. The Promoter Selling Shareholder confirms that the Offered Shares have been held by him for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. Further, the Promoter Selling Shareholder confirms that the Offered Shares is eligible for being offered for sale in the Offer in accordance with Regulation 8A of the SEBI ICDR Regulations, to the extent applicable. The Promoter Selling Shareholder has authorized the inclusion of the Offered Shares in the Offer for Sale. For details of authorizations received for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures - Authority for the Offer**" on page 393.*

(3) *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

For details, see "***Other Regulatory and Statutory Disclosures***" on page 393.

The Offer would constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. For further details, see "***The Offer***" and "***Offer Structure***" beginning on page 83 and 413, respectively.

**Objects of the Offer**

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

| Sr. No | Particulars | Amount^ (₹ in million) |
|---|---|---|
| 1. | Funding the capital expenditure requirements of our Company towards setting up two new manufacturing facilities at Seetharampur, Telangana; ("**Project 1**") | 2,796.30 |
| 2. | Funding the capital expenditure requirements of our Company towards setting up a new integrated manufacturing facility at Parawada, Andhra Pradesh ("**Project 2**") | 448.43 |
| 3. | Prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by our Company | 650.00 |
| 4. | General corporate purposes(1) | [●] |
| | **Total(1)** | [●] |

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

^ *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects prior to completion of the Offer. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

For further details, see "***Objects of the Offer***" on page 112.

**Aggregate pre-Offer shareholding of our Promoters, members of our Promoter Group, and Promoter Selling Shareholder on the date of this Draft Red Herring Prospectus**

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

| Name | Pre-Offer | | Post-Offer(1) | |
|---|---|---|---|---|
| | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer Equity Share capital (%) | Number of Equity Shares of face value of ₹5 each | Percentage of post-Offer Equity Share capital (%) |
| ***Promoters*** | | | | |
| Chandra Sekhar Moturu(2) | 35,999,900 | 89.99 | [●] | [●] |
| Ragdeep Moturu | 4,000,000 | 10.00 | [●] | [●] |
| Arundeep Moturu | 20 | Negligible | [●] | [●] |

| Name | Pre-Offer | | Post-Offer[1] | |
|---|---|---|---|---|
| | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer Equity Share capital (%) | Number of Equity Shares of face value of ₹5 each | Percentage of post-Offer Equity Share capital (%) |
| Krishna Kumari Moturu | 20 | Negligible | [●] | [●] |
| **Total (A)** | **39,999,940** | **99.99** | **[●]** | **[●]** |
| ***Promoter Group (other than Promoters)*** | | | | |
| Sailaja Moturu | 20 | Negligible | [●] | [●] |
| Lakshmi Vasireddi | 20 | Negligible | [●] | [●] |
| Ramesh Doddapaneni | 20 | Negligible | [●] | [●] |
| **Total (B)** | **60** | **Negligible** | **[●]** | **[●]** |
| **Total (A+B)** | **40,000,000** | **100.00** | **[●]** | **[●]** |

(1) *Subject to completion of the Offer and finalization of the Allotment.*
(2) *Also, the Promoter Selling Shareholder.*

For further details, see "***Capital Structure***" beginning on page 100.

**Shareholding of our Promoters, members of our Promoter Group and additional top 10 Shareholders of our Company as at allotment**

The aggregate Equity shareholding and percentage of the pre-Offer paid-up Equity Share capital and post-Offer Equity shareholding, of each of our Promoters, members of our Promoter Group and additional top 10 Shareholders of our Company is set forth below:

| Name | Pre-Offer shareholding as at the date of the Price Band advertisement | | Post-Offer shareholding as at Allotment[1] | | | |
|---|---|---|---|---|---|---|
| | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer Equity Share capital (%) | At the lower end of the price band (₹[●]) | | At the upper end of the price band (₹[●]) | |
| | | | Number of Equity Shares of face value of ₹5 each | Percentage of Equity Share capital (%) | Number of Equity Shares of face value of ₹5 each | Percentage of Equity Share capital (%) |
| ***Promoters*** | | | | | | |
| Chandra Sekhar Moturu[2] | [●] | [●] | [●] | [●] | [●] | [●] |
| Ragdeep Moturu | [●] | [●] | [●] | [●] | [●] | [●] |
| Arundeep Moturu | [●] | [●] | [●] | [●] | [●] | [●] |
| Krishna Kumari Moturu | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total (A)** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** |
| ***Promoter Group (other than Promoters)*** | | | | | | |
| Sailaja Moturu | [●] | [●] | [●] | [●] | [●] | [●] |
| Lakshmi Vasireddi | [●] | [●] | [●] | [●] | [●] | [●] |
| Ramesh Doddapaneni | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total (B)** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** |
| ***Top 10 shareholders of our Company*** | | | | | | |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total (C)** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** |
| **Total (A+B+C)** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** | **[●]** |

(1) *Subject to finalization of the Basis of Allotment.*
(2) *Also, the Promoter Selling Shareholder.*

**Summary of Selected Financial Information derived from our Restated Financial Information**

The summary of selected financial information of the Company derived from the Restated Financial Information is set forth below:

(*₹ in million, unless otherwise specified*)

| Particulars | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Equity Share capital | 200.00 | 200.00 | 190.00 | 90.00 |
| Net worth[1] | 1,026.92 | 870.96 | 329.91 | 120.78 |
| Revenue from operations | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |

| Particulars | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Profit/(loss) for the period / year | 155.97 | 291.05 | 109.13 | 12.86 |
| Basic EPS (₹)[(2)] | 3.90* | 7.65 | 4.70 | 0.71 |
| Diluted EPS (₹)[(3)] | 3.90* | 7.65 | 4.70 | 0.71 |
| Net asset value per equity share (₹)[(4)] | 25.67 | 21.77 | 8.68 | 6.71 |
| Total borrowings[(5)] | 1,896.32 | 1,850.59 | 1,032.92 | 746.91 |

**Not annualised*

***Notes:***

*(1) Net worth means the aggregate value of the paid-up share capital and other equity of our Company as at period/year end as per Restated financial information. Other equity is calculated as all reserves created out of 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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation and amalgamation; and items of other comprehensive income.*

*(2) Basic Earnings per Equity Share (EPS) (₹) = Restated profit for the period / year attributable to equity shareholders of our Company divided by weighted average number of equity shares outstanding during the period / year.*

*(3) Diluted Earnings per Equity Share (EPS) (₹) = Restated profit for the period / year attributable to equity shareholders of our Company divided by weighted average number of equity shares outstanding during the period / year adjusted for the effects of all dilutive potential equity shares, if any.*

*(4) Net Asset Value per Equity Share = Net worth / Number of equity shares outstanding as at the end of year/period, has been derived post the impact of split of shares*

*(5) Total borrowings represent total current and non-current borrowings.*

For further details, see "***Restated Financial Information***" on page 287.

**Qualifications of the auditor which have not been given effect to in the Restated Financial Information**

The Joint Statutory Auditors have not made any qualifications in their examination report, which have not been given effect to in the Restated Financial Information.

**Summary of Outstanding Litigation and Material Developments**

A summary of outstanding litigation proceedings involving our Company, our Promoters and our Directors, as disclosed in this Draft Red Herring Prospectus, is provided below.

| Category of individuals/ entities | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action | Material civil litigation as per the Materiality Policy | Aggregate amount involved* (₹ in million) |
|---|---|---|---|---|---|---|
| ***Company*** | | | | | | |
| By our Company | Nil | Nil | N.A. | N.A. | Nil | Nil |
| Against our Company | Nil | Nil | Nil | N.A. | Nil | Nil |
| ***Directors*** | | | | | | |
| By our Directors | Nil | Nil | N.A. | N.A. | Nil | Nil |
| Against our Directors | Nil | Nil | Nil | N.A. | Nil | Nil |
| ***Promoters*** | | | | | | |
| By our Promoters | Nil | Nil | N.A. | N.A. | Nil | Nil |
| Against our Promoters | Nil | Nil | Nil | Nil | Nil | Nil |

* *To the extent quantifiable.*

A summary of outstanding litigation proceedings involving our Key Managerial Personnel and Senior Management, as disclosed in this Draft Red Herring Prospectus, is provided below.

| Category of individuals | Criminal proceedings | Statutory or regulatory actions | Aggregate amount involved (₹ in million) |
|---|---|---|---|
| By our KMP and SM | Nil | Nil | Nil |

| Category of individuals | Criminal proceedings | Statutory or regulatory actions | Aggregate amount involved (₹ in million) |
|---|---|---|---|
| Against our KMP and SM | Nil | Nil | Nil |

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary and there is no outstanding litigation involving our Group Companies which may have a material impact on our Company.

For further details of the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" beginning on page 384.

**Risk Factors**

Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. Details of our top 10 risk factors are set forth below:

- A majority of our revenue from operations is from our top five customers (which accounted for more than 60% of our total revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022). Loss of any such customers or reduction in business or demand from such customers will have a significant adverse impact on our business and results of operation;

- We depend on our PEB vertical for a significant portion of our revenues (50.20%, 50.11%, 40.87% and 71.78% of our revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022). Our inability to effectively supervise projects under our PEB vertical may lead to project delays which may adversely affect our business, results of operations, financial condition and cash flows;

- We rely on the availability of steel and other raw materials, as well as third-party suppliers and manufacturers, for the uninterrupted supply of raw materials. We do not have continuing or exclusive arrangements with any supplier, and our top 10 suppliers contribute to more than 50% of our total raw material and supply costs. The loss of key suppliers or delays in raw material deliveries could adversely impact our business, financial condition, results of operations, and cash flows;

- We have significant working capital requirements and if we experience insufficient cash flows or are unable to access suitable financing to meet working capital requirements, our business, financial condition and results of operations could be adversely affected;

- Our business is dependent and will continue to depend on our Manufacturing Units situated in Andhra Pradesh and Telangana, which exposes us to regional risks and risks in relation to our manufacturing process. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations, financial condition and cash flows;

- Our proposed under-construction facilities in Seetharampur, Telangana are constructed on land allotted by Telangana Industrial Infrastructure Corporation. Our inability to comply with conditions of the lease agreements may result in forfeiture of the land, which may have an adverse impact on our business, results of operations, financial condition and cash flows;

- The equipment quotations received for procurement using Net Proceeds are valid as of this Draft Red Herring Prospectus. However, without definitive vendor agreements, pricing and availability remain uncertain. Any cost variations or vendor changes may lead to time and cost overruns, impacting our business, financial condition, and cash flows;

- We have been earlier refused registration of our trademark "Ardee". Our inability to protect or use the "Ardee" brand name and trademark exclusively may adversely affect our business. We may also unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position;

- We derive a significant portion of our revenues from repeat orders from our customers or entities belonging to the same corporate group. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows; and

- Our actual cost incurred in completing a project may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses incurred, which could adversely affect our financial condition, results of operation and cash flows.

For details, see "***Risk Factors***" beginning on page 33.

**Summary of Contingent Liabilities**

The details of the contingent liabilities of our Company as per Ind AS 37, as on September 30, 2024, as indicated in our Restated Financial Information, are set forth below:

*(₹ in million)*

| Contingent liabilities | As at September 30, 2024 |
|---|---|
| ***Guarantees excluding financial guarantees*** | |
| The company has guaranteed to an unrelated party for the performance in a contract for the supply of goods and services | 748.41 |
| **Total** | 748.41 |

For further details, please see "***Restated Financial Information – Note 41 – Contingent liabilities and commitments***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Contingent Liabilities***" on pages 339 and 374, respectively.

**Summary of Related Party Transactions**

The following is the summary of transactions with related parties for the six months ended September 30, 2024 and for the Fiscals 2024, 2023 and 2022, as per the requirements under Ind AS 24, derived from the Restated Financial Information.

*(₹ in million)*

| Related parties with whom transactions have taken place | Nature of relationship | Nature of transaction | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| Ardee Drives Private Limited *(formerly known as Balaji Drives Private Limited)* | Entities in which Directors and Key Management Personnel have a significant influence / control | Purchase of goods | 30.61 | 81.83 | 13.42 | 0.88 |
| Rotec Transmissions Private Limited | Entities in which Directors and Key Management Personnel have a significant influence / control | | 5.32 | 14.57 | 24.08 | 47.96 |
| Arun Kapital Networks | Entities in which Directors and Key Management Personnel have a significant influence / control | | 7.11 | 379.58 | 1.52 | 2.10 |
| Ingwenya Mineral Tech Private Limited | Associate | | 46.10 | - | - | - |
| M/s ARCS | Entities in which Directors and Key Management Personnel have a significant influence / control | | - | 0.04 | - | - |
| ACS Engineering Solutions | Entities in which Directors and Key Management Personnel have a significant influence / control | | - | 13.88 | 27.35 | - |

| Related parties with whom transactions have taken place | Nature of relationship | Nature of transaction | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| Arun Computers | Entities in which Directors and Key Management Personnel have a significant influence / control | Purchase of property, plant and equipment and intangible assets | 0.19 | 0.56 | 0.63 | 0.59 |
| Arun Kapital Networks | Entities in which Directors and Key Management Personnel have a significant influence / control | | 0.45 | - | 0.10 | 0.54 |
| | | | | | | |
| Ardee Drives Private Limited *(formerly known as Balaji Drives Private Limited)* | Entities in which Directors and Key Management Personnel have a significant influence / control | Revenue from contracts | 0.55 | 12.00 | 12.55 | - |
| Rotec Transmissions Private Limited | Entities in which Directors and Key Management Personnel have a significant influence / control | | 15.27 | 40.07 | 3.72 | - |
| Arun Kapital Networks | Entities in which Directors and Key Management Personnel have a significant influence / control | | - | 11.34 | 20.22 | 5.40 |
| Ingwenya Mineral Tech Private Limited | Associate | | - | 31.78 | - | - |
| | | | | | | |
| M/s ARCS | Entities in which Directors and Key Management Personnel have a significant influence / control | Rent expense | 1.63 | 3.29 | 3.27 | 3.29 |
| | | | | | | |
| Arun Computers | Entities in which Directors and Key Management Personnel have a significant influence / control | Other expenses | 0.01 | 1.32 | 0.48 | 0.13 |
| Arun Kapital Networks | Entities in which Directors and Key Management Personnel have a significant influence / control | | 0.38 | - | - | 0.25 |
| M/s ARCS | Entities in which Directors and Key Management Personnel have a significant influence / control | | 3.67 | 3.94 | 1.92 | 1.92 |
| Arovan Logistics | Entities in which Directors and Key Management Personnel have a | | 8.12 | 25.57 | 15.50 | 13.05 |

| Related parties with whom transactions have taken place | Nature of relationship | Nature of transaction | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| | significant influence / control | | | | | |
| ACS Engineering Solutions | Entities in which Directors and Key Management Personnel have a significant influence / control | | - | - | - | 40.69 |
| | | | | | | |
| Chandra Sekhar Moturu | Chairman and Managing Director | Proceeds from borrowings unsecured loan | 12.44 | 143.30 | 45.87 | 95.39 |
| Ragdeep Moturu | Whole-time Director | | 5.11 | 59.05 | 11.00 | 0.36 |
| Rama Nimmagadda | Relative of Director | | - | - | - | 0.22 |
| | | | | | | |
| Chandra Sekhar Moturu | Chairman and Managing Director | Repayments of borrowings - unsecured loan | 12.39 | 246.22 | 127.60 | 42.67 |
| Ragdeep Moturu | Whole-time Director | | 7.07 | 72.35 | 16.23 | 1.80 |
| Rama Nimmagadda | Relative of Director | | - | - | 2.02 | 0.22 |
| | | | | | | |
| Ardee Drives Private Limited *(formerly known as Balaji Drives Private Limited)* | Entities in which Directors and Key Management Personnel have a significant influence / control | Advances from customers | - | 3.29 | 13.50 | - |
| Arun Kapital Networks | Entities in which Directors and Key Management Personnel have a significant influence / control | | 16.22 | - | - | 29.12 |
| Ingwenya Mineral Tech Private Limited | Associate | | 35.42 | - | - | - |
| | | | | | | |
| Arun Infotech | Entities in which Directors and Key Management Personnel have a significant influence / control | Advance to suppliers | - | - | 1.61 | 1.61 |
| Ingwenya Mineral Tech Private Limited | Associate | | 3.81 | 3.50 | - | - |
| Arun Kapital Networks | Entities in which Directors and Key Management Personnel have a significant influence / control | | 26.14 | - | - | - |
| Rotec Transmissions Private Limited | Entities in which Directors and Key Management Personnel have a significant influence / control | | 8.58 | - | - | - |
| | | | | | | |
| Arundeep Moturu | Executive Director | | 2.35 | 1.86 | 3.26 | - |

| Related parties with whom transactions have taken place | Nature of relationship | Nature of transaction | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| Sundararama Sarma Gorrepati | Executive Director | Staff advance given | - | 0.15 | - | - |
| | | | | | | |
| Arundeep Moturu | Executive Director | Staff advance repaid | 7.47 | - | - | - |
| | | | | | | |
| Arch Logistics Private Limited | Entities in which Directors and Key Management Personnel have a significant influence / control | Other- received | - | - | - | 0.07 |
| | | | | | | |
| Ingwenya Mineral Tech Private Limited | Associate | Investment in Associate | - | 5.45 | - | - |
| | | | | | | |
| Chandra Sekhar Moturu | Chairman and Managing Director | Proceeds from issue of equity shares including securities premium | - | 225.00 | - | - |
| Ragdeep Moturu | Whole-time Director | | - | 25.00 | - | - |
| | | | | | | |
| Chandra Sekhar Moturu | Chairman and Managing Director | Issue of equity shares (rights issue) | - | - | 90.00 | - |
| Ragdeep Moturu | Whole-time Director | | - | - | 10.00 | - |
| | | | | | | |
| Anvizen Consultants Private Limited | Entities in which Directors and Key Management Personnel have a significant influence / control | Inter corporate deposits taken | 40.00 | - | - | - |
| | | | | | | |
| Anvizen Consultants Private Limited | Entities in which Directors and Key Management Personnel have a significant influence / control | Inter corporate deposits repaid | 40.00 | - | - | - |
| | | | | | | |
| Ravikanth Mallina | Independent Director | Director's sitting fees | 0.06 | - | - | - |
| Visweswara Prasad Yalamanchili | Independent Director | | 0.06 | - | - | - |
| Komaragiri Ravinder | Independent Director | | 0.06 | - | - | - |
| Srinivas Aravapalli | Independent Director | | 0.06 | - | - | - |
| | | | | | | |
| Sundararama Sarma Gorrepati | Executive Director | Reimbursement of expenses | 0.13 | - | - | - |
| Krishna Kumari Moturu | Executive Director and Chief Financial Officer | | 0.61 | - | - | - |
| | | | | | | |
| Krishna Kumari Moturu | Executive Director and Chief Financial Officer | Employee benefit expense | 0.95 | 2.40 | 1.20 | 1.20 |

| Related parties with whom transactions have taken place | Nature of relationship | Nature of transaction | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| Arundeep Moturu | Executive Director | | 0.95 | 2.40 | 1.09 | 1.09 |
| | | | | | | |
| Chandra Sekhar Moturu | Chairman and Managing Director | Managerial remuneration | 1.65 | 3.30 | 3.30 | 3.30 |
| Ragdeep Moturu | Whole-time Director | | 2.40 | 4.80 | 4.80 | 4.80 |
| Sundararama Sarma Gorrepati | Executive Director | | 1.84 | 2.99 | - | - |
| Krishna Kumari Moturu | Executive Director and Chief Financial Officer | | 0.25 | - | - | - |
| Arundeep Moturu | Executive Director | | 0.25 | - | - | - |
| Disha Jindal | Company Secretary | | 0.35 | - | - | - |

For details of the related party transactions in accordance with Ind AS 24, see "***Restated Financial Information – Note 35 – Related party transactions***" on page 332.

**Financing Arrangements**

There have been no financing arrangements whereby our Promoters, 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 this Draft Red Herring Prospectus.

**Details of price at which equity shares were acquired by our Promoters, members of the Promoter Group, Promoter Selling Shareholder and Shareholders with right to nominate directors or other rights in the last three years preceding the date of this Draft Red Herring Prospectus**

There are no Shareholders with right to nominate directors or other rights in our Company. Set out below are details of the price at which equity shares were acquired by the Promoters, members of the Promoter Group, Promoter Selling Shareholder in the last three years preceding the date of this Draft Red Herring Prospectus:

| Name of acquirer / shareholder | Nature of the transaction | Face value (in ₹)(1) | Date of acquisition | Number of equity shares acquired | Acquisition price per equity share (in ₹)(2) |
|---|---|---|---|---|---|
| **Promoters** | | | | | |
| Chandra Sekhar Moturu(3) | Rights issue as on the record date i.e. December 14, 2022 | 10 | December 24, 2022 | 9,000,000 | 10 |
| Ragdeep Moturu | Rights issue as on the record date i.e. December 14, 2022 | 10 | December 24, 2022 | 1,000,000 | 10 |
| Arundeep Moturu | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | March 28, 2024 | 10 | 250 |
| Krishna Kumari Moturu | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | March 28, 2024 | 10 | 250 |
| Chandra Sekhar Moturu(3) | Rights issue as on the record date i.e. March 22, 2024 | 10 | March 28, 2024 | 900,000 | 250 |
| Ragdeep Moturu | Rights issue as on the record | 10 | March 28, 2024 | 100,000 | 250 |

| Name of acquirer / shareholder | Nature of the transaction | Face value (in ₹)[1] | Date of acquisition | Number of equity shares acquired | Acquisition price per equity share (in ₹)[2] |
|---|---|---|---|---|---|
| | date i.e. March 22, 2024 | | | | |
| **Promoter Group** | | | | | |
| Sailaja Moturu | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | March 28, 2024 | 10 | 250 |
| Lakshmi Vasireddi | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | March 28, 2024 | 10 | 250 |
| Ramesh Doddapaneni | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | March 28, 2024 | 10 | 250 |

(1) *Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each.*
(2) *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*
(3) *Also, the Promoter Selling Shareholder.*

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

The weighted average price at which the specified securities were acquired by our Promoters and the Promoter Selling Shareholder in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

| Name | Number of equity shares of face value of ₹5 acquired in last one year[2] | Weighted average price of equity shares acquired in the last one year (in ₹)[1][2] |
|---|---|---|
| ***Promoters*** | | |
| Chandra Sekhar Moturu[3] | 1,800,000 | 125 |
| Ragdeep Moturu | 200,000 | 125 |
| Arundeep Moturu | 20 | 125 |
| Krishna Kumari Moturu | 20 | 125 |

(1) *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*
(2) *As adjusted for sub-division. Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each.*
(3) *Also, the Promoter Selling Shareholder.*

**Average cost of acquisition of Equity Shares by our Promoters and the Promoter Selling Shareholder**

The average cost of acquisition per Equity Share by our Promoters and the Promoter Selling Shareholder as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name | Number of Equity Shares of face value of ₹5 each held[2] | Average cost of acquisition per Equity Share (in ₹)[1][2] |
|---|---|---|---|
| ***Promoters*** | | | |
| 1. | Chandra Sekhar Moturu[3] | 35,999,900 | 11.00 |
| 2. | Ragdeep Moturu | 4,000,000 | 11.00 |
| 3. | Arundeep Moturu | 20 | 125.00 |
| 4. | Krishna Kumari Moturu | 20 | 125.00 |

(1) *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*
(2) *As adjusted for sub-division. Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each.*
(3) *Also, the Promoter Selling Shareholder.*

**Weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus**

| Period | Weighted average cost of acquisition (in ₹)(1)(2) | Cap Price is 'x' times the weighted average cost of acquisition(3) | Range of acquisition price: lowest price – highest price (in ₹)(1)(2) |
|---|---|---|---|
| Last one year | 125.00 | [●] | 125.00 to 125.00 |
| Last 18 months | 125.00 | [●] | 125.00 to 125.00 |
| Last three years | 15.91 | [●] | 5.00 to 125.00 |

(1) *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*

(2) *As adjusted for sub-division. Pursuant to resolutions passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each.*

(3) *To be updated in the Prospectus, once the Price Band information is available.*

**Details of pre-IPO placement**

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

**Issue of Equity Shares for consideration other than cash or bonus issue in the last one year**

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

**Split / Consolidation of Equity Shares in the last one year**

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

Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025, and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the authorized share capital of our Company was sub-divided from 35,000,000 equity shares of ₹10 each to 70,000,000 equity shares of ₹5 each. Further, the issued, subscribed, and paid-up share capital of our Company, consisting of 20,000,000 equity shares of ₹10 each, was sub-divided into 40,000,000 equity shares of ₹5 each. For further details, see "***Capital Structure – Notes to Capital Structure – Equity Share Capital History of our Company***" on page 101.

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

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

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our 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, our 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 believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. If any of the following risks or a combination of risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "**Industry Overview**", "**Our Business**", "**Restated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 156, 219, 287 and 343, respectively, of this Draft Red Herring Prospectus, as well as the other financial information contained in this Draft Red Herring Prospectus.*

*In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus contains certain 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 various factors, including the considerations described in this section and elsewhere in this Draft Red Herring Prospectus. See "**Forward-Looking Statements**" on page 19 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "**Restated Financial Information**" on page 287. Our financial year ends on March 31 of each year, so all references to a particular financial year or Fiscal are to the 12-month period ended March 31 of that year.*

*We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company ("**Partnership Firm**"), which converted to our Company in the year 2020. The data included herein in respect of our past experience and number of projects undertaken is considered on a combined basis by aggregating the experience and number of projects undertaken by our Company and the Partnership Firm.*

*Unless the context otherwise requires, references to "we," "us," and "our" in this section refer to Ardee Engineering Limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "**Research Report on Construction Engineering**" dated March 27, 2025 (the "**CARE Report**") prepared and issued by CARE Limited, appointed by us on October 15, 2024, and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CARE Report is available on the website of our Company at https://ardee.co.in/industry-report.html. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which could be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE 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 – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company**" on page 71. Also see, "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**" on page 17.*

### Internal Risk Factors

1. ***A majority of our revenue from operations is from our top 5 customers (which accounted for more than 60% of our total revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal***

***2023 and Fiscal 2022). Loss of any such customers or reduction in business or demand from such customers will have a significant adverse impact on our business and results of operation.***

We derive a significant portion of our revenue from sale of products and services from our top five customers. The table below sets forth our revenue from our top five customers and our top 10 customers as a percentage of our revenue from operations for the period / year indicated:

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of our total revenue from operations | Amount (₹ million) | Percentage of our total revenue from operations | Amount (₹ million) | Percentage of our total revenue from operations | Amount (₹ million) | Percentage of our total revenue from operations |
| Revenue from the top five customers* | 1,733.83 | 60.14% | 4,458.58 | 71.80% | 2,194.80 | 66.26% | 1,325.71 | 61.13% |
| Revenue from top 10 customers* | 2,409.77 | 83.59% | 5,427.47 | 87.40% | 2,866.95 | 86.55% | 1,672.93 | 77.14% |

**Our top five and top 10 customers have not remained the same and have changed between Fiscals and periods*

The table below sets forth the contribution of our top 10 customers for the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, determined based of the revenue contribution from such customer for the periods stated:

**For six months ended September 30, 2024:**

| Particulars | Six months ended September 30, 2024 | |
|---|---|---|
| | Amount (₹ million) | % revenue from operations |
| Vishwa Samudra Engineering Private Limited | 647.79 | 22.47% |
| Customer 2 | 333.69 | 11.58% |
| Navayuga Engineering Company Limited | 276.64 | 9.60% |
| Arcelor Mittal Nippon Steel India Limited | 259.18 | 8.99% |
| Customer 5 | 216.52 | 7.51% |
| Customer 6 | 211.58 | 7.34% |
| SRR Projects Private Limited | 163.13 | 5.66% |
| Customer 8 | 130.07 | 4.51% |
| Customer 9 | 101.36 | 3.52% |
| Zen Technologies Limited | 69.81 | 2.42% |
| **Top 10 Customers** | **2,409.77** | **83.59%** |

**For Fiscal 2024:**

| Particulars | Fiscal 2024 | |
|---|---|---|
| | Amount (₹ million) | % revenue from operations |
| Customer 1 | 1686.48 | 27.16% |
| RVR Projects Private Limited | 1001.15 | 16.12% |
| Navayuga Engineering Company Limited | 612.63 | 9.87% |
| Vishwa Samudra Engineering Private Limited | 611.73 | 9.85% |
| Customer 5 | 546.59 | 8.80% |
| Customer 6 | 394.51 | 6.35% |
| Zen Technologies Limited | 171.24 | 2.76% |
| Customer 8 | 149.21 | 2.40% |
| Customer 9 | 132.91 | 2.14% |
| Rungta Mines Limited | 121.02 | 1.95% |
| **Top 10 Customers** | **5,427.47** | **87.40%** |

**For Fiscal 2023**

| Particulars | Fiscal 2023 | |
|---|---|---|
| | Amount (₹ million) | % revenue from operations |
| RVR Projects Private Limited | 644.08 | 19.44% |
| Customer 2 | 571.20 | 17.24% |
| Navayuga Engineering Company Limited | 384.11 | 11.60% |
| HEG Limited | 349.36 | 10.55% |
| Customer 5 | 246.05 | 7.43% |
| J K Cement Limited | 209.51 | 6.32% |
| Vishwa Samudra Engineering Private Limited | 138.67 | 4.19% |
| Customer 8 | 133.54 | 4.03% |
| Supr Innovative Labs Private Limited | 114.25 | 3.45% |
| Blue Ocean Biotech Private Limited | 76.17 | 2.30% |
| **Top 10 Customers** | **2,866.95** | **86.55%** |

**For Fiscal 2022**

| Particulars | Fiscal 2022 | |
|---|---|---|
| | Amount (₹ million) | % revenue from operations |
| J K Cement Limited | 434.57 | 20.04% |
| Customer 2 | 378.45 | 17.45% |
| RVR Projects Private Limited | 193.13 | 8.91% |
| Navayuga Engineering Company Limited | 189.94 | 8.76% |
| Customer 5 | 129.63 | 5.98% |
| Customer 6 | 122.92 | 5.67% |
| HEG Limited | 69.74 | 3.22% |
| Customer 8 | 52.46 | 2.42% |
| Customer 9 | 51.83 | 2.39% |
| Customer 10 | 50.27 | 2.32% |
| **Top 10 Customers** | **1,672.94** | **77.14%** |

Loss of all or a substantial portion of sales to any of our top 10 customers for any reason, including, due to termination of contracts, limitation to meet any change in quality specification, change in technology, end of product life, disputes with customers, adverse change in the business and financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements, plant shutdowns, labour strikes or other work stoppages affecting production by such customers, and/or, continued reduction of prices to these customers, could have an adverse impact on our business, results of operations, financial condition and cash flow.

Large contracts from few customers also represent a large part of our Order Book increasing the potential volatility of our results and exposure to individual contract risks. The loss of any one of our top customers, for any reason including any adverse changes to the government policies could have an adverse effect on our business, results of operations and financial condition. There can be no assurance that we will not lose all or a portion of our business generated by these key customers, or that we will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement of our services and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

As our business is currently concentrated among relatively few significant customers, the amount of business from one or more of them may be significantly reduced for any reason, including as a result of a dispute with or disqualification by a major customer. While we have not lost any of our top five customers in the past three Fiscals and six months ended September 30, 2024 and continue to be associated with them, we cannot assure you that we will not lose all or a portion of revenue from such customers and be able to replace them with new customers.

2. ***We depend on our PEB vertical for a significant portion of our revenues (50.20%, 50.11%, 40.87% and 71.78% of our revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022). Our inability to effectively supervise projects under our PEB vertical may lead to project delays which may adversely affect our business, results of operations, financial condition and cash flows.***

We derive a significant portion of our revenue from operations from contracts with customers for supplying PEBs on a turn-key basis. As a part of our PEB contracts, we also provide onsite project management for the erection and installation of our PEBs as well as installation and erection services across the lifecycle of the project.

The table below sets forth the contribution of our key business verticals for the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, determined based on the revenue contribution from such verticals for the periods stated below:

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of revenue from operations | Amount (₹ million) | Percentage of revenue from operations | Amount (₹ million) | Percentage of revenue from operations | Amount (₹ million) | Percentage of revenue from operations |
| Revenue from pre-engineered building contracts | 1,447.20 | 50.20% | 3,111.75 | 50.11% | 1,353.83 | 40.87% | 1,556.62 | 71.78% |
| Revenue from material handling systems | 705.41 | 24.47% | 1,221.21 | 19.67% | 1,508.47 | 45.54% | 329.35 | 15.19% |
| Revenue from engineering services | 711.90 | 24.69% | 1,872.11 | 30.15% | 444.10 | 13.41% | 282.67 | 13.03% |

Any loss or significant reduction in our revenue from the PEB contracts for any reason including due to loss of, or termination of existing arrangements, limitation to meet any change in quality specification, customization requirements, or change in construction technology, disputes with a customer, adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Onsite project management capabilities are a pivotal factor in the evaluation of pre-engineered steel building suppliers as construction industry is usually riddled by long projects. Hence, project management expertise becomes extremely important to ensure timely completion and avoid costs overrun as it helps in the adherence to timelines, budget constraints, and high-quality standards. (*Source: CARE Report*) Our ability to execute our PEB contracts accordingly depends in part on our ability to supervise projects and engage in engineering and according to the detailed specifications of our customers within stringent delivery time frames. Our ability to meet our customer requirements depends on our ability to ramp up the project execution processes of designing, engineering, manufacturing, onsite project management for the erection and installation of our PEBs within the requisite timelines. Further, our project execution and management capabilities may also suffer from unanticipated interruptions, which would cause delays to our production schedule and prevent us from executing the projects within the scheduled timelines.

3. ***We rely on the availability of steel and other raw materials, as well as third-party suppliers and manufacturers, for the uninterrupted supply of raw materials. We do not have continuing or exclusive arrangements with any supplier, and our top 10 suppliers contribute to more than 50% of our total raw material and supply costs. The loss of key suppliers or delays in raw material deliveries could adversely impact our business, financial condition, results of operations, and cash flows.***

Our business, financial condition, results of operations and prospects are significantly impacted by the availability and cost of raw materials, particularly steel (in various descriptions and thickness, including hot rolled steel plates, galvanized steel coils, galvalume steel coils and hot rolled steel sections), power and fuel.

Our cost of raw materials and components consumed constitutes a significant portion of our total expenses. Steel, which is a key raw material for the manufacturing of our products, is a commodity and is subject to fluctuation in commodity prices. We purchase steel required for our manufacturing units primarily through spot contracts from third party suppliers. Due to our high dependence on steel as a key raw material, our ability to effectively manage challenges related to fluctuating input costs and working capital requirements is critical to our operations. Any significant volatility in steel prices, disruption in supply, or an inability to efficiently manage our working capital could adversely affect our profitability, cash flows, and overall financial condition.

The table below sets forth details of our cost of steel purchases, including as a percentage of our total expenses, for the periods indicated below:

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses |
| Cost of steel purchase | 1,081.02 | 40.17% | 3,089.55 | 53.13% | 1,400.77 | 44.20% | 1,362.60 | 63.11% |

The table below sets forth details of our cost of raw material and components consumed, including as a percentage of our total expenses, for the periods indicated below:

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses |
| Cost of raw material and components consumed | 1,450.76 | 53.91% | 4,080.48 | 70.17% | 2,170.91 | 68.50% | 1,460.06 | 67.62% |

Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. This volatility in commodity prices (in particular, the cost of steel) can significantly affect our raw material costs. Further, volatility in fuel prices can also affect commodity prices worldwide which may increase our raw material costs.

We depend on third-party suppliers and manufacturers for supply of raw materials required in our production process. Our suppliers are associated with us through purchase orders and we do not enter into any short term or long term agreements. Steel is one of our key raw materials and finding readymade substitute suppliers for supplying the raw materials, including steel, of exact specifications and on terms and conditions acceptable to us may be difficult. 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 purchase orders typically do not contain any provision for indemnification against any losses suffered by us or any resource for us in case of delay of supply. 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 suppliers.

Further, our PEB contracts are typically for a short period and do not provide for any price escalation clause, which does not allow us to transfer any increase in raw material prices to our customers.

For the six months ended September 30, 2024, and Fiscals 2024, 2023, and 2022, the contribution of our top 10 suppliers and our largest supplier determined on the basis of cost of raw materials and components consumed attributable to such supplier is as follows:

| Particulars | Six-months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of cost of raw materials and components consumed | Amount (₹ million) | Percentage of cost of raw materials and components consumed | Amount (₹ million) | Percentage of cost of raw materials and components consumed | Amount (₹ million) | Percentage of cost of raw materials and components consumed |
| Top 10 suppliers | 876.59 | 60.42% | 2,429.88 | 59.55% | 1,039.57 | 47.89% | 986.74 | 67.58% |
| Our largest supplier | 170.47 | 11.75% | 659.48 | 16.16% | 268.11 | 12.35% | 322.71 | 22.10% |

The table below sets forth the contribution of our top 10 suppliers for the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, determined based on cost of raw material and components consumed to such suppliers for the periods stated:

**For six months ended September 30, 2024:**

| Particulars | Six months ended September 30, 2024 | |
|---|---|---|
| | Amount (₹ million) | Percentage of cost of raw materials and components consumed |
| Supplier 1 | 170.47 | 11.75% |
| Harsh Iron LLP | 130.69 | 9.01% |
| Supplier 3 | 113.17 | 7.80% |
| Supplier 4 | 104.32 | 7.19% |
| Ingwenya Mineral Tech Private Limited | 81.05 | 5.59% |
| Kingspan Jindal Private Limited | 71.58 | 4.93% |
| Agarwal Steels | 68.44 | 4.72% |
| Supplier 8 | 49.56 | 3.42% |
| Supplier 9 | 44.00 | 3.03% |
| Arcelor Mittal Nippon Steel India Limited | 43.31 | 2.99% |
| **Top 10 Suppliers** | **876.59** | **60.42%** |

**For Fiscal 2024:**

| Particulars | Fiscal 2024 | |
|---|---|---|
| | Amount (₹ million) | Percentage of cost of raw materials and components consumed |
| Supplier 1 | 659.48 | 16.16% |
| Harsh Iron LLP | 349.94 | 8.58% |
| Arcelor Mittal Nippon Steel India Limited | 348.20 | 8.53% |
| Supplier 4 | 320.75 | 7.86% |
| Arun Kapital Networks | 160.98 | 3.95% |
| Ardee Drives Private Limited (*formerly Balaji Drives Private Limited*) | 143.00 | 3.50% |
| Supplier 7 | 136.80 | 3.35% |
| Supplier 8 | 110.12 | 2.70% |
| SAC Iron & Steel Private Limited | 103.78 | 2.54% |
| Agarwal Steels | 96.83 | 2.37% |
| **Top 10 Suppliers** | **2,429.88** | **59.55%** |

**For Fiscal 2023**

| Particulars | Fiscal 2023 | |
|---|---|---|
| | Amount (₹ million) | Percentage of cost of raw materials and components consumed |
| Supplier 1 | 268.11 | 12.35% |

| Particulars | Fiscal 2023 | |
|---|---|---|
| | Amount (₹ million) | Percentage of cost of raw materials and components consumed |
| Arcelor Mittal Nippon Steel India Limited | 149.47 | 6.89% |
| Supplier 3 | 118.23 | 5.45% |
| Agarwal Steels | 99.30 | 4.57% |
| Supplier 5 | 79.85 | 3.68% |
| Supplier 6 | 74.56 | 3.43% |
| Supplier 7 | 68.54 | 3.16% |
| Harsh Iron LLP | 63.70 | 2.93% |
| LSC Steels Private Limited | 59.82 | 2.76% |
| Unitec Industries | 57.98 | 2.67% |
| **Top 10 Suppliers** | **1,039.57** | **47.89%** |

**For Fiscal 2022**

| Particulars | Fiscal 2022 | |
|---|---|---|
| | Amount (₹ million) | Percentage of cost of raw materials and components consumed |
| Supplier 1 | 322.71 | 22.10% |
| Supplier 2 | 202.76 | 13.89% |
| Supplier 3 | 88.07 | 6.03% |
| Arcelor Mittal Nippon Steel India Limited | 73.38 | 5.03% |
| Swathi Build Tech Private Limited | 72.93 | 5.00% |
| Supplier 6 | 62.18 | 4.26% |
| Rotec Transmissions Private Limited | 42.56 | 2.91% |
| Supplier 8 | 42.44 | 2.91% |
| Vishnu Roofing Systems | 42.20 | 2.89% |
| Supplier 10 | 37.50 | 2.57% |
| **Top 10 Suppliers** | **986.74** | **67.58%** |

While we strive to mitigate these risks by negotiating favourable terms and maintaining diversified supplier relationships, the absence of binding long-term agreements limits our ability to secure stable pricing or uninterrupted supply. Moreover, the volatility of steel and fuel prices, compounded by potential disruptions in raw material supply, could significantly impact our operations.

Any disruption in the supply chain, increase in raw material costs, or failure to secure adequate and timely supplies may adversely affect our manufacturing capabilities, project execution timelines, profitability, and overall financial condition. Furthermore, our inability to adjust customer pricing in response to raw material cost increases could have a material adverse effect on our business and future prospects.

4. ***We have significant working capital requirements and if we experience insufficient cash flows or are unable to access suitable financing to meet working capital requirements, our business, financial condition and results of operations could be adversely affected.***

Our business requires a significant amount of working capital which is based on certain assumptions, and accordingly, any change in such assumptions will result in changes to our working capital requirements. Working capital is required for mobilization of resources, including construction materials and labour, and for other work on projects before payment is received from our customers. Further, since the contracts we bid for typically involve a bidding and selection process, it is difficult to predict whether or when a particular contract will be awarded to us. As a result, we may need to incur expenses in anticipation of contract awards, which may not eventually materialize, and finance such expenses by incurring additional indebtedness. Our working capital requirements may increase in the future if we undertake larger or additional projects or projects with a long gestation period, if payment terms do not include advance payments or if contracts have payment schedules that shift payments towards the end of a project or otherwise increase our working capital burden. We finance our working capital requirements through a variety of sources including cash credit facilities, working capital demand loans, bill discounting and vendor financing.

For the periods specified below, our net working capital are as follows:

| Particulars | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Net Working Capital* (₹ million) | 329.28 | 348.62 | 64.07 | 91.11 |

**Net Working Capital is computed as Total Current Assets less Total Current Liabilities.*

All of these factors may result, or have resulted, in increases in our working capital needs. It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of customers to secure obligations under contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. As of September 30, 2024, we had provided bank guarantees (including letters of credit) amounting to ₹748.41 million to our customers, including performance guarantees amounting to ₹ 343.32 million towards securing our financial and performance obligations for ongoing projects. See also "***Financial Indebtedness***" on page 380. See also *"—* ***We are required to furnish bank guarantees as part of our business. Our inability to arrange for such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition***" on page 56. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements.

Further, we have not experienced any working capital deficit in the past but we cannot assure you that market conditions will allow us to access working capital facilities on terms which are acceptable to us or of sufficient limits or at all. Our ability to arrange for financing and our cost of borrowing depend on a number of factors, including general economic and market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, and the continued success of current projects. In addition, our ability to raise funds is limited by certain restrictions imposed under applicable laws.

5. ***Our business is dependent and will continue to depend on our Manufacturing Units situated in Andhra Pradesh and Telangana, which exposes us to regional risks and risks in relation to our manufacturing process. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations, financial condition and cash flows.***

Our business is dependent on our manufacturing capabilities, comprising five operational Manufacturing Units, of which four are in Telangana and one is in Andhra Pradesh. We primarily manufacture our products in-house at our Manufacturing Units. See "***Our Business – Property and Manufacturing Units***" on page 246. The concentration of our assembling and manufacturing units exposes us to regional risks and adverse events specific to the state. These regional risks include disruptions to infrastructure, significant natural disasters, workforce disruptions, changes in general economic conditions, civil unrest, the regulatory environment, and local government policies, among others. While we did not face any such disruptions to our manufacturing units that materially and adversely affected our results of operations during the six months ended September 30, 2024 and the last three Fiscals, any such disruptions in the future could adversely affect our business, results of operations, financial condition, and cash flows.

The table below sets out certain details of our manufacturing units:

| Unit | Location | Nature of property | Area (in square metres) |
|---|---|---|---|
| **Manufacturing Unit 1** | Sy No. 26AA, Chetlapotharam, Potharam Road, Gagillapur, Medak District 502 319, Telangana, India | Leased | 7,183.27 |
| **Manufacturing Unit 2** | Plot No. 125, 126, 141 and 142, Phase - III, Industrial Park, Pashamylaram 502 307, Sangareddy, Telangana, India | Owned | 18,014.00 |
| **Manufacturing Unit 3** | Plot No. 59, 62 and 63, Survey No. 556, IDA Patancheru, Sangareddy 502 319, Telangana, India | Leased | 2,759.22 |

| Unit | Location | Nature of property | Area (in square metres) |
|---|---|---|---|
| | Survey No. 457, Phase - III, IDA, Patancheru 502 319, Sangareddy, Telangana, India | Owned | 1,805.40 |
| **Manufacturing Unit 4** | Plot No. 10 M3 and 10 M4 Part Phase III, TSIIC Park, Pashamylaram, Patancheru Mandal 502 307, Sangareddy, Telangana, India and Plot No. 10/K8, Phase III, Extension, IP Pashamylaram, Patancheru 502 307, Sangareddy, Telangana, India | Leased | 7,275.88 |
| **Manufacturing Unit 5** | Survey No. 142, 144 and 145, Edulapaka Bonangi Village, Paravada Mandal 531 021, Vishakapatnam, Andhra Pradesh, India | Owned | 5,600.00 |

For details regarding capacity, see ***"Our Business - Installed Capacity, Available Capacity, Actual Production and Capacity Utilisation***" on page 240.

Our business is dependent upon our ability to manage our Manufacturing Units, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, fire, power interruption, severe weather conditions and natural disasters including COVID 19 where our manufacturing operations were impacted due to Government imposed restrictions and health emergency.

We cannot assure you that such interruptions including also due to breakdowns, failure of equipment, power interruptions and the like, will not occur in the future. If such events were to persist or we are unable to repair machinery and equipment in a timely manner or at all, our operations may need to be suspended until we procure the appropriate machinery and equipment, to replace them. This may impact our ability to serve our customers and impair our relationships with our key customers and suppliers, which may adversely impact our business, results of operations, financial condition and cash flows.

In addition, we may be required to carry out planned shutdowns of our Manufacturing Unitsfor maintenance, or due to some reasons beyond our control such as an outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions could adversely affect operations of our integrated production facility. In the future, we may also experience shutdowns or periods of reduced production because of regulatory issues, power outage, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations, financial condition and cash flows.

6. ***Our proposed under-construction facilities in Seetharampur, Telangana are constructed on land allotted by Telangana Industrial Infrastructure Corporation. Our inability to comply with conditions of the lease agreements may result in forfeiture of the land, which may have an adverse impact on our business, results of operations, financial condition and cash flows.***

Our proposed under-construction facility in Seetharampur, Telangana is proposed to be constructed on land leased from Telangana Industrial Infrastructure Corporation. We have entered into an agreement for sale with the Telangana Industrial Infrastructure Corporation Limited, post receiving the final letter of allotment and this allotted land is designated solely for industrial purposes, and any deviation from this purpose could lead to the forfeiture of the land. The allotment is also contingent on the timely implementation of the project. As part of the allotment conditions, we are required to submit regular progress reports on the project's implementation. Failure to meet these timelines or comply with project requirements could result in the cancellation of the allotment, halting progress on the Project. Additionally, the registration of the lease deed for the land will only occur after the successful completion of the Project and the commencement of commercial production, further delaying formal acquisition of the land.

The allotment and continued use of the land are also subject to obtaining various regulatory approvals, including Consent for Establishment (“**CFE**”) and Consent for Operation (“**CFO**”) from the state pollution control boards, and compliance with environmental laws and regulations. While we have obtained the CFE, and the factory layout approval failure to obtain the stipulated regulatory approvals, or non-compliance with environmental standards related to waste management, water conservation, and effluent treatment, could result in delays, regulatory penalties, and increased costs, thereby impacting our financial stability. Non-compliance with any other statutory obligations may result in legal action, reputational damage, and disruption of operations. Furthermore, the allotment agreement restricts the transfer or conveyance of the land, and any changes in the ownership or structure of our business must be approved by the authorities. This restriction limits our flexibility in making business decisions, including pursuing strategic partnerships or financing opportunities. In line with the government’s industrial development objectives, the project is expected to generate significant employment opportunities, particularly for local communities and land oustees. However, there is a risk that we may not be able to meet the required local employment quota, which could expose us to regulatory scrutiny and penalties. Failure to comply with the employment generation requirements or other obligations stipulated in the allotment terms could result in the revocation of the allotment and additional financial or legal consequences.

The uncertainty surrounding the availability and continued use of both leased and allotted land, combined with the need to adhere to strict regulatory requirements, presents a significant risk to the timely and successful completion of the proposed project. Any failure to comply with these terms could have a material adverse effect on our business, disrupt operations, delay revenue generation, and negatively impact our financial condition and growth prospects.

7. ***The equipment quotations received for procurement using Net Proceeds are valid as of this Draft Red Herring Prospectus. However, without definitive vendor agreements, pricing and availability remain uncertain. Any cost variations or vendor changes may lead to time and cost overruns, impacting our business, financial condition, and cash flow.***

We intend to utilize ₹ 3,244.73 million of the Net Proceeds for financing the capital expenditure towards setting up the Project 1 and Project 2. In this regard, we have also obtained quotations for multiple equipment from the same vendor. While we have also received quotes from other vendors, we have not yet placed any purchase orders or entered into definitive agreements with any of these vendors.

All quotations received from the vendors are valid as on the date of this Draft Red Herring Prospectus. However, we have not placed any purchase orders or 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 at the same prices which have been set out under “***Objects of the Offer***” on page 112. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to, *inter alia*, any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If due to any of the aforementioned factors result in time and cost over-runs and our business, results of operations and financial condition may be adversely affected.

8. ***We have been earlier refused registration of our trademark “Ardee”. Our inability to protect or use the “Ardee” brand name and trademark exclusively may adversely affect our business. We may also unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position.***

We had applied for registration of our flagship brand name ‘*Ardee*’ as a trademark, which was subsequently refused as a matter of procedural irregularity and we currently do have any intellectual property rights on the ‘*Ardee*’ brand name and trademark and we have re-applied for registration of the same. Our marketing and business brandings are all done through the ‘*Ardee*’ brand name. Our success and ability to compete depends on our ability to continue using the brand name and if we fail to register it under the relevant intellectual property laws, the values attached to our brand could deteriorate requiring us to re-brand and adopt a new name which may take substantial amount of time to rebuild and may require substantial marketing expenditure, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows. For more information, please see “***Government and Other Approvals – Intellectual Property***” and “***Our Business – Intellectual property***” on pages 389 and 247, respectively.

In particular, the use of similar trade name by third parties may result in confusion among our customers, and we are exposed to the risk that entities in India and elsewhere could pass off their services which may adversely affect our business, resulting in a decrease in market share. Such actions may not only result in loss in our business but also adversely affect our reputation and consequently our business prospects and results of operations. In the event of such unauthorized use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered.

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 upon any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to objections and claims from third parties asserting infringement and other related claims. Any such claims raised in the future 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 certain offerings. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

In addition, we may decide to settle a claim or action against us, the settlement of which could be costly and time consuming. We may also be liable for any past infringements. Any of the foregoing could adversely affect our business, financial condition, results of operations and cash flows.

9. ***We derive a significant portion of our revenues from repeat orders from our customers or entities belonging to the same corporate group. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows.***

We derive a significant portion of our revenue from operations from repeat orders from customers and customer groups (identified as customers forming part of the same corporate group) ("**Customer Groups**" and such orders, "**Repeat Orders**") which we identify as orders placed by customers or Customer Groups that have placed orders with our Company previously. Set forth below is our revenue from such Customer Groups in the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022.

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | % of revenue from operations | Amount (₹ million) | % of revenue from operations | Amount (₹ million) | % of revenue from operations | Amount (₹ million) | % of revenue from operations |
| Revenue received from same clients | 1,766.19 | 61.27% | 1,489.57 | 23.99% | 1,943.17 | 58.66% | 1,230.10 | 56.72% |

We have historically been dependent, and expect to depend, on such Customer Groups and such Repeat Orders, for a substantial portion of our revenue and the loss of any them for any reason (including due to loss of, or termination of existing arrangements; limitation to meet any change in quality specification, customization requirements, or change in construction technology; disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship, change in business practices of our customers or a change in the corporate structure of such Customer Groups) could have a material adverse effect on our business, results of operations, financial condition and cash flows.

10. ***Our actual cost incurred in completing a project may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses incurred, which could adversely affect our financial condition, results of operation and cash flows.***

Under contracts with our customers, we are typically entitled to receive an agreed amount, subject to variations in our scope of work. This amount is based on certain estimates underlying our bid including cost of construction materials, fuel, labour, sub-contracting costs or other conditions. However, our actual expenses in executing a project may vary based on a change in any such assumptions.

The cost of construction materials, fuel, labour and equipment maintenance constitutes a significant part of our operating expenses. We are vulnerable to the risk of rising and fluctuating fuel, labour, steel, cement and other raw material prices, which are determined by demand and supply conditions in the global and Indian markets as well as government policies. Any unexpected price fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance, results of operations, and cash flows.

If our cost overruns are greater than the increase in market rates, we may not be able to recover all of our cost overruns. Further, some of our fixed-price contracts do not include any price variation or escalation clauses, in which case we bear the entire risk of price increases.

For six months ended September 30, 2024, and Fiscals 2024, 2023 and 2022, we have not experienced cost overruns in our completed projects, however we cannot assure you that we will not experience any cost overruns in the future. Further, the assumptions underlying our bid are typically based on a pre-bid inspection / study that we conduct, comprising:

- undertaking a site visit along with engineers to study the project site;
- preparing a construction program and equipment list;
- preparation of an estimated bills of quantities, covering all the items required in the work (including subcontracting costs).

Further, we may also need to seek additional financing to meet any consequent cost overruns, which may not be available on attractive terms. Any significant deviations from the estimates could adversely affect our business, financial condition and results of operations.

11. ***We propose to utilise a portion of the Net Proceeds of the Offer towards capital expenditure, including towards capacity expansion by setting up of a new manufacturing units which could be subject to delays, cost overruns, and other risks and uncertainties.***

In order to achieve the economies of scale in our operations and to enable us to increase our production capabilities, we intend to continue to invest in development of additional manufacturing capacity as well as improve on operational efficiencies, and towards such objective, we intend to utilize a portion of the Net Proceeds for financing capital expenditure, including an amount of ₹3,244.73 million towards setting up the Project 1 and Project 2. We have estimated our capital expenditure requirements based on (a) our current business plan, internal management estimates as per our business plan based on current market conditions and valid quotations obtained from various third-party vendors, which are subject to change in the future; (b) the detailed project report dated March 27, 2025 for Project 1, and Project 2 (c) certificate dated March 27, 2025 received from C. Venkat Krishna & Co., Chartered Accountants. See " ***- Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***" on page 47.

Our expansion plans and business growth require significant capital expenditure and the dedicated attention of our management. Further, our ability to set up manufacturing units which are proposed to be undertaken, will depend on a variety of factors including but not limited to, receipt of relevant approvals, availability of sufficient skilled employee and labour base, and timely procurement of land, machinery and other related infrastructure. We may face time and cost overruns during each phase of our capacity development plan for the Project, including on account of increased costs of sourcing equipment or increased costs of labour, technical difficulties or adverse weather conditions during the construction phase.

Any delay or our inability to increase our production capabilities may restrict our ability to expand our presence across India. Our efforts to develop and enhance our manufacturing capacity and production capabilities are subject to certain risks and uncertainties, including: (i) delays and cost overruns resulting from increases in the prices and availability of raw materials and components, shortages of skilled workforce and transportation constraints; (ii) lower production efficiency and yield before achieving our expected economies of scale; (iii) the unavailability or delay in arrival of the required equipment or raw materials from third parties; and (iv) interruptions caused by natural disasters or other unforeseen events. While there has been no material cost and time overruns in the past while setting up of our new projects, we cannot assure you that there will be no cost and time overruns in the future. If we are unable to address these risks and uncertainties, the expansion of our production capabilities of as described in detail in "***Objects of the Offer***" on page 112 could be delayed, adversely affecting our business, results of operation and prospects.

12. ***Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.***

Our Order Book represents the aggregate value of contractual commitments that have been secured but remain to be fulfilled by us. Further, our Order Book as of a particular date is calculated on the basis of the aggregate contract value of our ongoing projects as of such date reduced by the value of work executed by us until such date. For the purposes of calculating the Order Book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date, or the work conducted by us in relation to any such escalation of change in work scope of such projects until such date. The manner in which revenues are derived to calculate and present our Order Book is not similar to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects.

The manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this Draft Red Herring Prospectus is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered in isolation or as a substitute for performance measures. As of December 31, 2024, our order book was of ₹8,929.55 million. As of September 30, 2024 and Fiscals 2024, 2023 and 2022, we had an Order Book of ₹7,612.81 million, ₹7,218.00 million, ₹5,828.31 million and ₹3,176.32 million, respectively.

The tables below set out details of our Order Book by business verticals and types of clients, as of the dates mentioned:

(*₹ in million, except percentages*)

| Sr. No. | Business | Order book | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount as of September 30, 2024 | Percentage as of September 30, 2024 | Amount as of March 31, 2024 | Percentage as of March 31, 2024 | Amount as of March 31, 2023 | Percentage as of March 31, 2023 | Amount as of March 31, 2022 | Percentage as of March 31, 2022 |
| 1. | Pre-engineered buildings | 2,428.37 | 31.90% | 1,040.24 | 14.41% | 1,012.77 | 17.38% | 431.95 | 13.60% |
| 2. | Material handling systems | 4,300.01 | 56.48% | 5,023.72 | 69.60% | 3,646.37 | 62.56% | 2,017.80 | 63.53% |
| 3. | Engineering services | 884.43 | 11.62% | 1,154.04 | 15.99% | 1,169.17 | 20.06% | 726.57 | 22.87% |
| | **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

Further, our Order Book by type of clients (i.e. Government and Private sector clients), as of the dates mentioned in the table below is as follows:

(*₹ in million, except percentages*)

| Sr. No. | Type of clients | Order book | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount as of September 30, 2024 | Percentage as of September 30, 2024 | Amount as of March 31, 2024 | Percentage as of March 31, 2024 | Amount as of March 31, 2023 | Percentage as of March 31, 2023 | Amount as of March 31, 2022 | Percentage as of March 31, 2022 |
| 1. | Government sector[(1)] | 1,959.32 | 25.74% | 2,173.82 | 30.12% | 2,155.85 | 36.99% | 537.15 | 16.91% |
| 2. | Private sector | 5,653.49 | 74.26% | 5,044.18 | 69.88% | 3,672.46 | 63.01% | 2,639.17 | 83.09% |
| | **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

*(1) Comprises state and central governments, government agencies and government-owned enterprises in India.*

We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts or we may not be able to realise the revenues which we anticipated in such projects.

We may encounter problems executing the projects as ordered or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of projects, resulting from our clients' discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent, a project forming part of our order book will be performed and this could reduce the income and profits we ultimately earn from the contracts. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Even relatively short delays or manageable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our order book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

Accordingly, the realization of our order book and the effect on our results of operations may vary significantly from reporting period to reporting period depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date as it is impacted by applicable accounting principles affecting revenue and cost recognition. Furthermore, there are various risks associated with the execution of large-scale projects as larger contracts may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Managing large-scale projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. We believe that our contract portfolio will continue to be relatively concentrated and if we do not achieve our expected margins or suffer losses on one or more of these large contracts, this could have a material adverse effect on our results of operations and financial condition.

13. ***Our projects are exposed to various risks and other uncertainties, and our risk management and project selection framework may be inadequate, which may adversely affect our business, results of operations and financial condition.***

Our operations are subject to various risks including execution risks inherent to engineering risks attributable to the construction methodology involved, design risks, country risks, and political risks.

Execution risks include the risk of equipment failure, work accidents, fire or explosions, hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Other execution risks include delays or disruptions in supply of raw materials, unanticipated cost increases, force majeure events, and cost and time overruns.

We may be further subject to risks such as:

- engineering problems;
- disputes with workers;
- unanticipated costs due to defective plans and specifications;
- inability to furnish required guarantees;
- delays in regulatory approvals and/or permits for our projects;
- customer not releasing payments as per agreed terms;
- shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets;
- inability to procure sub-contractors or labourers, including local sub-contractors or labourers in countries outside India;
- labour strikes or stoppage of work by labourers;

- inability to procure construction materials, including on account of shipping delays;
- spread of infectious diseases at our project sites, resulting in temporary shutdown of operations;
- equipment failure or industrial accidents that may cause injury and loss of life, and severe damage to and destruction of property and equipment; and
- other unanticipated circumstances.

We cannot assure you that we will be able to successfully anticipate all the risks involved on the project or that the anticipated benefits will materialize, either of which could adversely affect our business, financial condition, results of operations and cash flows.

14. ***Our business is substantially dependent on our design and engineering teams to carry out the pre-approval engineering studies for potential orders. Inability of our design and engineering teams to estimate the cost of the project and to execute an order would have an adverse impact on our business, results of operations, financial condition and cash flows.***

Inability of our design and engineering teams to accurately estimate the cost of the project, would have an adverse impact on our business, results of operations, financial condition and cash flows. While there have been no instances for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022 where our design and engineering team erred in estimating the cost of the project which had a material impact on our business and operations, we cannot assure that our design and engineering team will always be successful in estimating the accurate cost of the project.

While our design process and design team allows us to develop new and differentiated products and respond to evolving industry trends and sectors and our customers' preferences, delays in introducing new products which will be suitable for any new industry sectors or failure to offer products at competitive prices may cause existing and potential customers to purchase our competitors' products. We have licensed certain software in computer aided design technology and manufacturing, which are used by our design and engineering team to effectively achieve the design and detailing parameters based on our customers' requirements. However, there is no assurance that our competitors will not be able to increase the designing efficiency of their products by using latest technology and offer attractive prices to the customers, without affecting their margins.

15. ***Any inability to manage our employees, equipment base or inventory could result in shortages or underutilization, which could adversely affect our profitability.***

We depend on a large workforce, equipment base and inventory levels for the execution of projects, and maintain a workforce, equipment base and inventory based upon our current and anticipated workloads. As on December 31, 2024, our workforce comprised of 678 permanent employees. Additionally, as at December 31, 2024, we had engaged 246 contract labourers. For further details, see "***Our Business – Human Resources***" on page 247. We also maintain an inventory of construction equipment.

We estimate our future workload largely based on whether and when we will receive certain new contract awards. While our estimates are based upon our best judgment, these estimates can be unreliable and may frequently change based on newly available information. In a project where timing is uncertain, it is particularly difficult to predict whether or when we will receive a contract award.

The uncertainty of contract awards and timing can present difficulties in matching the size of our workforce, equipment base and inventory with our contract needs. In certain instances, over-estimation of future projects may lead to an excess workforce and underutilized resources for a prolonged period, impacting our cost structure and operational efficiency.

16. ***Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

We intend to use the Net Proceeds for financing the capital expenditure towards the Project 1 and Project 2, repayment / prepayment of loans and general corporate purposes in the manner specified in "***Objects of the Offer – Details of the Objects of the Fresh Issue***" on page 114. Such fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on (a) our current business plan, internal management estimates as per our business plan based on current market conditions and valid quotations obtained from various third-party vendors, which are subject to change in the future; (b) the detailed project report dated March 27, 2025 for Project 1 and Project 2; (c) certificate dated March 27, 2025 received from C. Venkat Krishna & Co., Chartered Accountants.

Our internal management estimates may exceed fair market value or the value that would have been determined by bank, financial institution or other independent third-party agency appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, results of operations, financial condition and cash flows. The quotations relied on for the estimation of cost of the Objects 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 orders, the proposed schedule, implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that the actual costs incurred in relation to any of the Objects will be similar to and not exceed the amounts indicated in any third-party quotations as on the date of this Draft Red Herring Prospectus.

Our Company's historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the planned deployment at the discretion of our management, subject to compliance with applicable law. See "***- Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control***" on page 47.

17. ***We are measured against high quality standards and stringent performance requirements by our customers. Any failure by us to comply with these standards or performance requirements may lead to the cancellation of existing and future orders, recalls, liquidated damages, invocation of performance bank guarantees, security deposit or warranty and indemnity or liability claims, which could adversely affect our reputation, business, results from operations, financial conditions, cash flows and prospects.***

All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of orders and even lead to loss of customers. Our customers may reject our products, cancel their orders or choose our competitors over us if we fail to perform our contractual obligations or meet the quality or performance standards set out with our customers, which may in-turn harm our reputation.

For six months ended September 30, 2024, and Fiscals 2024, 2023 and 2022, we have not experienced any such rejection, however failure by us to comply with applicable quality standards could also result in our products failing to perform as expected, or alleged to result in property damage if our products are defective or are used incorrectly by our customers (or by their customers or end-users). The occurrence of any such events could expose us to product warranty, product recall or product liability claims.

We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs. We may also become subject to legal proceedings and commercial or contractual disputes. Potential product recalls could cause disruption to our business and result in reputational harm and the costs and expenses associated with warranties, product recalls and product liability claims could adversely affect our results of operations and financial condition. If we incur significant liabilities for which there is no or insufficient insurance coverage our business, financial condition and results of operations could be adversely affected.

18. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects, and financial***

***performance, and the information on installed capacities, historical production, and capacity utilization included in this Draft Red Herring Prospectus is based on estimates.***

Information relating to our installed capacities, historical production and capacity utilization of our Manufacturing Units is based on various assumptions and estimates by A Ajay Reddy, Chartered Engineer, as set out in their certificate dated March 27, 2025. Such assumptions and estimates may not continue to be true and future production and capacity utilization may vary. Calculation of the installed capacities and historical production and capacity utilization of our Manufacturing Units by the independent chartered engineer may not have been undertaken on the basis of any standard methodology and may not be comparable to that employed by competitors.

As on the date of this Draft Red Herring Prospectus, we operate five Manufacturing Units in India located in the states of Telangana and Andhra Pradesh. The table below sets forth certain information relating to the installed capacity, available capacity, actual production and capacity utilisation for our products for the period/ years indicated:

| Name of Manufacturing Unit | Product | Six months ended September 30, 2024$ | | | Fiscal 2024 | | | Fiscal 2023 | | | Fiscal 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Installed capacity for six months (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) | Installed capacity (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) | Installed capacity (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) | Installed capacity (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) |
| Manufacturing Unit 1 | BU* | 3,995 | 2,720 | 68.09% | 7,990 | 6,797 | 85.07% | 7,850 | 5,472 | 69.71% | 7,650 | 5,892 | 77.02% |
| | BU Accessories** | 1,035 | 846 | 81.74% | 2,070 | 1,735 | 83.82% | 1,545 | 989 | 64.01% | 1,350 | 987 | 73.11% |
| Manufacturing Unit 2 | BU | 2,122 | 1,401 | 66.02% | 4,244 | 3,394 | 79.97% | 3,591 | 2,379 | 66.25% | 3,045 | 2,251 | 73.92% |
| | Cold Forming*** | 1,980 | 1,424 | 71.92% | 3,960 | 3,157 | 79.72% | 2,610 | 1,747 | 66.93% | 2,610 | 1,927 | 73.83% |
| | Heavy Steel Fabrication**** | 2,825 | 2,067 | 73.17% | 5,650 | 4,726 | 83.65% | 2,175 | 1,409 | 64.78% | 2,175 | 1,562 | 71.82% |
| | Roofing***** | 660 | 552 | 83.64% | 1,320 | 1187 | 89.92% | 1026 | 678 | 66.08% | 870 | 647 | 74.37% |
| Manufacturing Unit 3 | Heavy Steel Fabrication | 2,100 | 1,633 | 77.76% | 4,200 | 3,493 | 83.17% | 2,065 | 1,281 | 62.03% | 1,700 | 1,272 | 74.82% |
| Manufacturing Unit 4 | Heavy Steel Fabrication | 1,950 | 1,329 | 68.15% | 3,900 | 3,220 | 82.56% | 1,721 | 1,056 | 61.36% | 1,481 | 1,064 | 71.84% |
| | BU | 1,050 | 771 | 73.43% | 1,985 | 1,780 | 89.67% | 726 | 568 | 78.24% | 683 | 489 | 71.65% |
| Manufacturing Unit 5^ | Heavy Steel Fabrication(5) | 4,325 | 3,033 | 70.13% | 6,100 | 4,789 | 78.51% | NA | NA | NA | NA | NA | NA |
| | Steel Joists****** | 1,575 | 1,022 | 64.89% | 2,725 | 2,128 | 78.09% | NA | NA | NA | NA | NA | NA |
| **Total** | | **23,617** | **16,798** | | **44,144** | **36,406** | | **23,309** | **15,579** | | **21,564** | **16,091** | |

**BU– Built-up sections such as H-shaped structures and I-shaped structures*
***BU Accessories – Angle bracings, etc.*
****Cold Forming – Galvanized cold formed C&Z sections made from galvanized coils*
*****Heavy Steel Fabrication – Steel structures including industrial frames and custom fabricated components*
******Roofing – Metal ceiling and corrugated roofing*
*******Steel Joists – General Fabrication*
*^ Unit was acquired and operational only from October 2023, hence data not available for previous years.*
*#MTPA – Metric Tonnes Per Annum*
*$26 weeks considered for the six months period ending September 30, 2024.*

*Notes:*
1. *Installed Capacity has been calculated by multiplying the number of machines/production line, the number of working hours per day, the number of working days in a week and the number of weeks per year/period.*
2. *For all Manufacturing Facilities, working hours per shift considered per day is eight hours, shifts per day considered is three, and three shifts operate per day.*
3. *52 weeks considered per year.*
4. *Since there is no other capital expenditure done in the existing facilities, apart from the capital works in progress – the production capacity for month ending September 2024 is considered at the same level as that of FY2023-24.*

5. *The number of machines/production lines is calculated by aggregating the actual number of machines/production lines available at the beginning of the relevant Financial Year/period, and the actual number of machines/production lines added during the Financial Year/period, and the actual number of machines/production lines removed during the Financial Year/period.*
6. *Overall production efficiency dropped during FY2023 due to in-house capex expansion projects restricting utilization of place thereby decrease in overall production output*
7. *The company has implemented a structured capacity expansion plan, growing from an aggregate installed capacity of 23,309 MTPA in FY2023 to 44,144 MTPA in Fiscal 2024, representing a significant increase over this period. Company has acquired new manufacturing facilities and expanded the facilities across all units and invested in automation. This expansion was accompanied by efficiency improvements that increased overall capacity utilization from 67% in Fiscal 2022 to 82% in Fiscal 2024.*
8. *The capacity expansion was implemented in a phased manner:*
   *- In Fiscal 2023, approximately 1,745 MTPA of additional capacity was installed across all units, with expansion across all units.*
   *- In Fiscal 2024, approximately 21,575 MTPA of additional capacity was added, with majorly due to acquisition of two units – one in Patancheru, Hyderabad, Telangana and one in Parawada, Visakhapatnam, Andhra Pradesh.*

   *Apart from this, other significant development works that have also contributed to the increase production capacities are listed as follows:*

   *Manufacturing Unit 1: There was a debottlenecking project implemented in Fiscal 2023 along with process optimization resulting in marginal increase.*

   *Manufacturing Unit 2: There was a major facility and machinery upgrade that was done during the Fiscal 2023 which resulted in significant production increase in the following year. There was also technology upgrade done in the Fiscal 2024.*

   *Manufacturing Unit 3 Capacity: Apart form acquiring a new land parcel which now forms a part of the Unit 3 in the Fiscal 2024, there has been minor upgradation of machinery through modifications and control system upgrades.*

   *Manufacturing Unit 4: Additional land was leased, which now forms a part of unit 4. Apart from this, there were equipment modernization activity and efficiency improvements coming from process optimization*
9. *Operating Factors Affecting Utilization:*
   - *Equipment reliability*
   - *Raw material availability*
   - *Market demand*
   - *Process stability*
   - *Maintenance effectiveness*
   - *Operator efficiency*

Ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. Capacity utilization is affected by the demand for our products, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our Manufacturing Units including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our Manufacturing Units, resulting in operational inefficiencies which could have a material adverse effect on our business, financial condition and cash flows. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, future prospects and future financial performance.

19. ***Our Company has entered into consortium agreements with other parties for execution of projects. Any non-compliance with the terms of these consortium agreements may result in adverse action against the Company, reduced profits or, in some cases, significant losses.***

Our Company, from time to time, enters into various consortium agreements with other parties for the purposes of bidding and execution of projects. Such arrangements (also called 'jointly controlled operations') are considered as an extension of our business. A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement and have rights to the assets and obligations for the liabilities, relating to the arrangements, and the parties agree contractually on the sharing of control of such an arrangement. As a result, no capital contribution has been made for execution of the projects and the obligations of the respective works are accounted for individually by the members of the consortium.

The consortium agreements of our Company provide for the terms and conditions of jointly controlled operation and the participation of the parties. Under the terms of the tender documents and the arrangements with the project owner, the parties are typically mutually responsible for the obligations of the other party to the project owner. Typically, in a consortium, the scope of work of each member is clearly defined and so is the split of revenues between the parties. However, if other consortium members fail to perform their obligations, this may result in a delay of the overall project or a termination of the project by our customer.

Any disputes that may arise between us and our consortium members may cause delays in completion or the suspension or abandonment of the project, and we may not be able to recover the capital that we have invested. We may, in certain instances, fail to reach agreement on significant decisions in a timely manner. We also cannot control the actions of our consortium members or bankruptcy of, our partners, and we typically share liability or have joint and/or several liability with our partners for such matters.

In addition, in order to establish or preserve relationships with our partners, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in the related consortium. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of the foregoing could adversely affect our business, financial condition and results of operations.

20. ***The examination report issued in relation to the Restated Financial Information for the six months ended September 30, 2024 and the Fiscals 2024, 2023 and 2022, contain certain matters of emphasis.***

The examination report on our Restated Financial Information for the six months ended September 30, 2024, and the Fiscals 2024, 2023, and 2022 include certain matters of emphasis. While these matters do not modify the auditors' opinion, they highlight specific financial statement items or disclosures that require particular attention.

The following table provides details of the qualifications, reservations, adverse remarks, or matters of emphasis, if any, as reported in the auditors' report on the financial statements for the six months ended September 30, 2024, and the Fiscals 2024, 2023, and 2022, in accordance with the Companies (Auditor's Report) Order, 2020.

| Period | Nature of adverse observation | Details of adverse observation |
|---|---|---|
| Six months ended September 30, 2024 | Nil | Nil |
| Fiscal 2024 | Modification in other legal and regulatory requirements included in the auditor's report on the financial statements of the Company as at and for the year ended March 31, 2024 not requiring adjustments to restated summary statements. | In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except: i. that our Company has not maintained daily back-up of books of accounts and other books and papers maintained in electronic mode in a server physically located in India. ii. for the matters stated in the paragraph 2 (h) (vi) below on reporting under Rule 11(g). |
| Fiscal 2024 | Modification in other legal and regulatory requirements included in the auditor's report on the financial statements of the Company as at and for the year ended March 31, 2024 not requiring adjustments to restated summary statements. | (h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in their opinion and to the best of their information and according to the explanations given to them: i. Our Company has upgraded its accounting software on April 14, 2023 to a new version of accounting software from an earlier version of the accounting software that it operated for maintaining its books of account during the Fiscal 2024. Based on their examination, they were unable to comment whether the earlier version of the accounting software had a feature of recording audit trail (edit log) facility and whether it was enabled therein. However, the upgraded Edit log version of software has a feature of recording audit trail (edit log) facility, which was enabled in the accounting software and the same has been operated throughout the period from April 14, 2023 to March 31, 2024. Further, they did not come across any instance of the audit trail feature being tampered with, post upgradation of the accounting software. |
| Fiscal 2024 | Clause (vii) (a) of CARO 2016 Order | According to the information and explanations given to them and the records of the Company examined by them, and in their 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 generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.<br><br>Undisputed amounts payable in respect of income-tax dues, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable for a period of more than six months from the date they became payable, as per **Table A** below |
| Fiscal 2023 | Clause (vii) (a) of CARO 2016 Order | According to the information and explanations given to them and the records of the Company examined by them, and in their 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 generally been regularly deposited with the |

| Period | Nature of adverse observation | Details of adverse observation |
|---|---|---|
| | | appropriate authorities during the year, though there has been a slight delay in a few cases. |
| Fiscal 2022 | Nil | Nil |

**Table A** - Undisputed amounts payable in respect of income-tax dues, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable

| Nature of the statute | Nature of the dues | Amount in millions | Period to which amount relates | Due date | Date of payment | Remarks |
|---|---|---|---|---|---|---|
| Income-tax act, 1961 | Tax deducted at source | 0.29 | April to August 2023 | 7th of the subsequent month | In the month of June, July and September 2024 | Paid subsequent to reporting date |
| Income-tax act, 1961 | Income-tax | 3.18 | Fiscal 2022 | - | July 24, 2024 | Paid subsequent to reporting date |

21. ***Our business operations are dependent on contract labour and an inability to access contract labour at reasonable costs at our project sites may adversely affect our business.***

Our business depends on access to a pool of contract labour for our construction work and the execution of our projects. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. As at December 31, 2024, we had engaged 246 contract labourers.

Our dependence on such contract labour may result in significant risks to our operations, relating to the availability of such contract labourers, especially during peak periods in labour intensive sectors such as ours or in case of other disruptions.

We cannot assure you that we will have adequate access to skilled workmen at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to incur additional costs to ensure timely execution of our projects or may not be able to complete our projects on schedule or at all. In addition, there may be local regulatory requirements relating to use of contract labour in specified areas and such regulations may restrict our ability to engage contract labour for a project. See also "***Key Regulations and Policies in India***" and "***Government and Other Approvals***" on pages 249 and 388, respectively. Further, all contract labourers engaged in our projects are assured minimum wages that are fixed by the relevant state and central governments, and any increase in such minimum wages payable may adversely affect our results of operations.

22. ***Our business operations are significantly affected by various costs, including job work, installation and erection charges, labour charges, and rent and the increasing and substantial nature of these costs represents a material risk to our financial performance, operational efficiency, and profitability.***

Our business operations are subject to fluctuations in various costs, including job work, labour, and rent charges, which are critical to our production process and overall cost structure. Increases in job work, installation, and erection charges, driven by factors such as inflation, market dynamics, or rising labour costs, could significantly elevate our operating expenses. If we are unable to pass on these increased costs to customers, our profit margins may be adversely affected, resulting in a negative impact on our financial performance.

The table below sets forth details of our cost of job work, labour, and rent charges including as a percentage of our total expenses for the periods indicated below:

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses | Amount (₹ million) | Percentage of total expenses |
| Job work | 324.61 | 12.06% | 546.91 | 9.40% | 330.02 | 10.41% | 110.15 | 5.10% |
| Labour | 48.26 | 1.79% | 295.84 | 5.09% | 142.99 | 4.51% | 122.42 | 5.67% |
| Rent | 54.39 | 2.02% | 105.23 | 1.81% | 96.73 | 3.05% | 49.03 | 2.27% |

Given the volatility and potential for substantial increases in job work, installation and erection charges, labour charges, and rent, any material rise in these costs could have an adverse effect on our business, financial condition, and results of operations. We may face difficulties in managing or mitigating such increases, which could result in lower profit margins, reduced operational flexibility.

23. ***We have had negative cash flow from operating activities Fiscal 2024 and 2022 and may continue to have negative cash flows in the future.***

Our cash flows are set forth in the table below for the six months ended September 30, 2024, and Fiscals 2024, 2023 and 2022.

(*₹ in million*)

| Particulars | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Net cash flow (used in) operating activities | 138.32 | (463.68) | 89.51 | (246.42) |
| Net cash flows used in investing activities | (66.06) | (692.85) | (147.14) | (104.79) |
| Net cash flows generated from/(used in) financing activities | (72.53) | 907.02 | 307.81 | 348.53 |

The negative cash flow in operating activities was majorly due to significant spending in capital expenditure made by our Company. These factors may continue to affect, our cash flows, business, future financial performance and results of operations materially and adversely affected. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash flows***" on page 372.

24. ***We may not be able to collect receivables due from our customers, in a timely manner, or at all, which may adversely affect our business, financial condition, results of operations and cash flows.***

Macroeconomic conditions could result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us or request modifications to their payment arrangements, all of which could increase our receivables or default on their payment obligations to us. Any increase in defaults by our customers in the future may compel us to utilize greater amounts of our operating working capital, thereby adversely affecting our business, results of operations and financial condition. Set out below are details of our trade receivables as of the dates indicated:

| Particulars | Six-months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of our total trade receivables (%) | Amount (₹ million) | Percentage of our total trade receivables (%) | Amount (₹ million) | Percentage of our total trade receivables (%) | Amount (₹ million) | Percentage of our total trade receivables (%) |
| ***Non-Current*** | | | | | | | | |
| Unsecured-Considered Good | 130.73 | 6.58% | 80.65 | 4.74% | 39.90 | 4.03% | - | - |
| ***Current*** | | | | | | | | |

| Particulars | Six-months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of our total trade receivables (%) | Amount (₹ million) | Percentage of our total trade receivables (%) | Amount (₹ million) | Percentage of our total trade receivables (%) | Amount (₹ million) | Percentage of our total trade receivables (%) |
| Unsecured-Considered Good | 1,710.39 | 86.04% | 1,477.98 | 86.95% | 799.85 | 80.87% | 707.24 | 86.81% |
| Unsecured-Credit impaired | 146.70 | 7.38% | 141.15 | 8.30% | 149.30 | 15.10% | 107.43 | 13.19% |

While we have not faced any instances of defaults by our customers during the six months ended September 30, 2024 and the Fiscals 2024, 2023 and 2022, there can be no assurance that these instances will not occur in the future which may adversely affect our business, financial condition, results of operations and cash flows.

25. ***We are required to furnish bank guarantees as part of our business. Our inability to arrange for such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.***

As part of our business, we are required to provide financial and performance bank guarantees in favour of our customers. In addition, letters of credit are often required to satisfy our payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could adversely affect our business, results of operations and financial condition.

As of September 30, 2024, we had provided bank guarantees (including letters of credit) amounting to ₹748.41 million to our customers, including performance guarantees amounting to ₹343.32 million towards securing our financial and performance obligations for ongoing projects. See also "***Financial Indebtedness***" on page 380.

26. ***If any of our projects are terminated prematurely, we may not receive payments due to us, which could adversely affect our business, financial condition and results of operation.***

Our agreements with project owners can be terminated prematurely by project owners for several reasons, including:

- failure to comply with operational or maintenance standards prescribed under agreements;
- failure to provide, extend or replenish performance security required under agreements;
- failure to cure a default within the stipulated cure period;
- failure to achieve project milestones to complete a project within the prescribed timelines;
- abandonment or intention to abandon construction or operation of a project by us without the prior written consent of the project owner;
- occurrence of a material adverse effect, as defined under our agreements;
- any assignment of rights, obligations, or assets by our Company or the relevant subsidiary or join venture;
- occurrence of a force majeure event, such as an act of god, act of war, expropriation or compulsory acquisition of any project assets by the government, industrial strikes and public agitation;
- bankruptcy, insolvency, initiation of liquidation, dissolution, winding up or amalgamation of our Company or the relevant subsidiary;
- failure to comply with any other material term of the relevant agreement; and
- failure to perform work in accordance with the terms of the agreement or stoppage of work, resulting in a breach of our agreements.

If any of the foregoing occur, project owners may terminate our agreements with them, which will adversely affect our business, financial condition, cash flows and results of operations.

27. ***Our reliance on an owned logistics fleet, partly financed by loans, exposes us to operational, financial, and liability risks, which could adversely impact our business, financial condition, and results of operations.***

    Our business relies on a fleet of owned logistics vehicles for transporting raw materials and finished products, making us vulnerable to several operational, financial, and regulatory risks. A portion of our fleet is financed through loans from financial institutions, subjecting us to fixed repayment obligations. Any disruption in cash flow or increase in interest rates could impact our ability to service these loans, potentially leading to financial strain.

    Our transport vehicles are also exposed to risks of accidents or damages that may result in injury to third parties, loss of goods, or damage to our vehicles. Such incidents could lead to claims and liabilities under the Motor Vehicles Act, 1988, as well as potential litigation, which may result in financial penalties or reputational harm. Additionally, prolonged vehicle downtime due to accidents could disrupt our supply chain, leading to delays in fulfilling customer orders and potential loss of business.

    Moreover, the fleet's maintenance requirements may increase over time as vehicles age, leading to higher operating costs. Any failure to comply with safety regulations or to mitigate the risk of accidents could increase the likelihood of insurance claims and impact our insurance premiums. In cases where we are unable to utilize our fleet efficiently due to regulatory changes, fuel price volatility, or increased maintenance and insurance costs, our operating expenses could rise, adversely affecting our profit margins and financial stability.

28. ***Our Company has outstanding loans and is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business and our inability in obtaining timely access to borrowings can have an adverse impact on our Company's liquidity and financial condition.***

    Our Company's total outstanding borrowing (fund and non-fund based) as of January 31, 2025 was ₹3,621.82 million. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs. A disruption in sources of funds or increase in cost of funds because of any of these factors may have a material adverse effect on our Company's liquidity and financial condition. Some of the financing arrangements entered into by us include conditions and covenants that require us to obtain lender's consents prior to carrying out certain activities and entering into certain transactions including certain actions and matters in relation to the Offer. Some of these covenants include, altering our capital structure, changing our current ownership or control, formulating a scheme of amalgamation, material change in management, undertaking guarantee obligations, and amending constitutional documents. We are also required to maintain certain financial ratios and ensure compliance with regulatory requirements. We have received consents from all relevant lenders to undertake the Offer, as may have been required under the borrowing arrangements.

    A failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the suspension of any further lending commitments, termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross -default provisions and the enforcement of security provided. There can be no assurance that we will be able to persuade our lenders to grant extensions or refrain from exercising such rights which may adversely affect our operations and cash flows. As a result, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Additionally, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements.

29. ***Our business is seasonal in nature and any decrease in sales during certain quarters could have an adverse impact on our financial performance. Our business and future growth are dependent on the growth of the commercial, infrastructure, and industrial landscape. If the growth in these industries is slow or stagnant, it could have an adverse impact on our business, results of operations, financial condition and cash flows.***

    We are one among the fastest growing integrated design and engineering solutions company currently with a focus on PEB and MHS business plans. (*Source: CARE Report*) Our profitability and future growth are correlated with and dependent upon the growth of the PEB, MHS and engineering industry in India which in turn is dependent on the commercial, infrastructure, and industrial landscape in India. While the Indian PEB and MHS industry is expected to grow, it is subject to a number of key challenges, including vulnerability to fluctuations in raw material prices, transportation challenges, adherence to additional safeguards to withstand natural disasters, fragmentation with multiple manufactures, suppliers and contractors operating independently, automation and technological advancements, design limitations; and limited knowledge and lack of skilled manpower. (*Source: CARE Report*)

If the PEB industry in India fails to sustain or increase its adoption or remains stagnant including in particular by warehousing, cold storage, infrastructure and industrial sectors, our business may be adversely affected. If the PEB industry develops more slowly than expected, or if demand for PEBs decreases, there can be no assurance that our past performance will continue at a comparable scale in the future and our business, prospects, financial condition and operating results would be harmed.

The cyclicality of the industry also means that our financial performance is closely tied to the overall health of the economy. Economic slowdowns, reduced investment in infrastructure, or delays in the implementation of government projects can result in decreased demand for concrete equipment.

***30. We face significant competition from domestic design and engineering solutions company which may lead to a reduction in our market share, which in turn may adversely affect our business, results of operations, financial condition and cash flows.***

We face significant competition from domestic design and engineering solutions company. Some of our competitors may have competitive advantages over us including longer operating histories, better brand recognition, more advanced technology, better research and development capabilities, greater market penetration, larger dealer networks and more established supply relationships in India.

Increased competition from existing manufacturers and new entrants in the PEB and MHS market in India may cause us to lose or fail to attract new consumers and result in an overall reduction in our market share. If our competitors' construction equipment surpasses ours in terms of quality or performance or competitive pricing, our market share, profitability and results of operations may be adversely impacted. In addition, competition from existing and future competitors may affect our ability to adequately pass on any increases in materials and logistics costs, which may affect our operational profitability.

Our competitors include Interarch Building Products Limited, JSW Severfield Structures Limited, Pennar Industries Limited among others alike.

Our competitors may also innovate faster and more efficiently, and new technologies may increase competitive pressures by enabling competitors to offer more efficient or lower-cost construction equipment. In addition, if our competitors consolidate or enter into other strategic partnerships, they may be able to achieve greater economies of scale. Any failure by us to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay our development of new and enhanced construction equipment, which could result in the loss of competitiveness of our construction equipment, decreased revenue and a loss of market share to competitors. See also, "***Our Business* –*Our Business Operations –Competition***" on page 245.

***31. The projects that we undertake have been awarded primarily through competitive bidding process. Our bids may not always be accepted. We may not be able to qualify for, compete and win projects or identify and acquire new projects, which could adversely affect our business and results of operations.***

We enter into contracts primarily through a competitive bidding process, and our business depends on our ability to bid for and be awarded contracts for projects by project owners. Projects are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria. Typically, a project owner advertises potential projects in newspapers or on their websites by publishing pre-qualification notices. We evaluate our credentials considering the eligibility criteria for projects that are of interest. Once we pre-qualify for a bid, tender documents are sent to pre-qualified bidders by the project owner. We then submit a financial bid, along with any technical bid details required, to the project owner. For further details on the bidding process, see "***Our Business – Project Cycle***" on page 243.

Further, service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience and sufficiency of financial resources are important considerations in authority decisions. We spend considerable time and resources in the preparation and submission of bids.

We cannot assure you that we would bid where we have been prequalified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. If we are not able to qualify in our own right to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for large PEB or MHS projects, which could affect our growth plans. There can be no assurance that we would be able to meet such qualification criteria, particularly for larger or complex projects, whether independently or together with other qualified contractors as a consortium.

Further, certain project owners from the private sector may only invite a select group of contractors to participate in the bidding process. In such instances, we cannot assure you that we will be invited to bid for such projects or that our bid in a non-competitive bidding process will be successful.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected.

Projects awarded to us may be subject to litigation by unsuccessful bidders. Legal proceedings may result in delay in award of the projects and/or notification of appointed dates, for the bids where we have been successful, which may result in us having to retain unallocated resources and as a result, it would adversely affect our results of operations and financial condition. Further, we may be required to incur substantial expenditure, time and resources in defending such litigation. Any unsuccessful outcome in any such proceedings may lead to termination of a contract awarded to us, which could have a material adverse effect on our future revenues and profits.

We spend considerable time and resources in the preparation and submission of bids, and if we are unsuccessful, we will not be able to recover the costs incurred by us.

32. ***Our business is also dependent on contracts awarded by governmental authorities and other entities owned and controlled by the GoI or state governments and we derive a part of our revenues from contracts with a limited number of government entities. Any adverse changes in the tendering criteria or infrastructure policies by the government may lead to our contracts being foreclosed, terminated, restructured or renegotiated, and we may not be able to receive any future contracts which may have a material affect on our business and results of operations.***

Our business is also dependent on contracts awarded by governmental authorities and other entities funded by the GoI or state governments. We currently derive a part of our revenue from contracts entered into entities owned and controlled by the GoI or state governments. The following table sets forth our order book as of the six-months period ended September 30, 2024 and Fiscals 2024, 2023 and 2022:

(*₹ in million, except percentages*)

| Sr. No. | Type of clients | Order book | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount as of September 30, 2024 | Percentage as of September 30, 2024 | Amount as of March 31, 2024 | Percentage as of March 31, 2024 | Amount as of March 31, 2023 | Percentage as of March 31, 2023 | Amount as of March 31, 2022 | Percentage as of March 31, 2022 |
| 1. | Government sector[1] | 1,959.32 | 25.74% | 2,173.82 | 30.12% | 2,155.85 | 36.99% | 537.15 | 16.91% |
| 2. | Private sector | 5,653.49 | 74.26% | 5,044.18 | 69.88% | 3,672.46 | 63.01% | 2,639.17 | 83.09% |
| | **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

[1] *Comprises state and central governments, government agencies and government-owned enterprises in India*

For further details please see "***Our Business***" on page 219. We are not in a position to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards. Further, all our ongoing projects have been awarded to us for a definite term and the relevant authorities may float tenders for such projects after expiry of the current term. There is no assurance that we will be awarded such projects at the end of the tender process.

There can be no assurance that the Government of India or the state governments will continue to place emphasis on the infrastructure sector. In the event of any adverse change in budgetary allocations for infrastructure development or a downturn in available work in the infrastructure sector resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected. Further, we may not be able to receive any future contracts if there are paradigm shift in the policies of government with respect to the infrastructure sector.

The contracts with government entities may be subject to extensive internal processes, policy changes, government or external budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract or lead to renegotiation of the terms of these contracts which may lead to a delay in our business operations. Any adverse change in the policies or tendering criteria adopted by the government regarding award of its projects could adversely affect our ability to bid for and/ or win such projects. Additionally, any changes in the existing policies pertaining to incentives granted in respect of developments in the infrastructure sector, could adversely affect our existing projects and opportunities to secure new projects.

Contracts with governments and government owned customers are typically based on the contract form finalized by the government or government-owned customer. As a result, our ability to negotiate the terms of these contracts is limited, and such terms tend to favour the government and government-owned customers. Such contractual terms may present risks to our business. Such terms include:

- sole discretion of the customer to extend the operation and maintenance period of the project;
- Payment of liquidated damages on account of delays by the customer;
- disclaimer clause which allows the customer the right to share with any consultant of its choosing, any resultant proposals in order to secure expert opinion;
- our liability as a contractor for consequential or economic loss to our customers; and
- the right of the government or government-owned customer to terminate our contracts for convenience at any time after providing us with the required written notice.

With reference to projects where our bids have been successful, there may be delays in award of the projects and/or notification of appointed dates, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations. Any adverse changes in the GoI or state government policies may lead to our contracts being foreclosed or terminated. In addition, we may be restricted in our ability to, among other things, sell our interests to third parties, contract with certain customers or assign our rights or obligations under our contracts to any person. These restrictions may limit our flexibility in operating our business, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition. Any withdrawal of support or adverse changes in their policies may lead to our agreements being restructured or renegotiated and could, though not monetarily quantifiable at this time, materially and adversely affect our financing, capital expenditure, revenues, development or operations relating to our existing projects as well as our ability to participate in competitive bidding or negotiations for our future projects. This in turn could materially and adversely affect our results of operations and financial condition.

***33. We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors are expected to make our ability to procure business in future more uncertain which may adversely affect our business, financial condition and results of operations.***

Our business is highly competitive as we face competition from the competitors in the domestic market. Our Company primarily procures projects on the basis of competitive bidding which entails managerial time to prepare bids and proposals for contracts and at times requires us to resort to aggressive pricing to be able to be awarded the contracts. We may not be in a position to aggressively price our services in the future which may result in loss of business and adversely affect our future prospects. With increased competition, our ability to estimate costs to provide services required under the contracts and ability to deliver the project in a timely manner will determine our profitability and competitive position in the market. The possibility exists that our competitors might develop new technologies that might cause our existing technology and offerings to become less competitive. Our ability to anticipate such developments and deploy improved and appropriate technologies through development/acquisitions will determine our competitive position in the marketplace. Any failure on our part to compete effectively in terms of pricing of our services or providing quality services could have a material adverse effect on our operations and financial condition.

There can be no assurance that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future, or that the companies that are not directly in competition with us now will not compete with us in the future. Accordingly, our business, financial condition, results of operations and future prospects would be adversely and materially affected if we are unable to maintain our competitive advantage and compete successfully against our competitors and any new entrants to our industry in the future.

34. ***We have relied on certificates and affidavits furnished by one of our Independent Directors for verifying certain details of his educational qualifications.***

One of our Independent Directors, Ravikanth Mallina, has been unable to trace copies of documents pertaining to his educational qualification, namely his bachelor's degree in technology from Nagarjuna University. Accordingly, reliance has been placed on certificates and affidavits furnished by him to us and the BRLMs to disclose details of his educational qualification in this Draft Red Herring Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurance that he will be able to trace the relevant documents pertaining to his educational qualification in the future, or at all.

35. ***Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.***

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. See also "***Key Regulations and Policies in India***" on page 249. We cannot assure you that compliance with such laws and regulations will not result in delays in completion, an increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, construction activities in India are also subject to various health and safety laws and regulations. Accidents, in particular fatalities, may adversely affect our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

Non-compliance with these laws and regulations, could expose us to civil penalties, criminal sanctions and revocation of key business licences.

In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, and we could face other sanctions, if we were to violate or become liable under environmental laws. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs.

36. ***Our Company has been formed by a conversion from partnership firm to Company in the year 2020 thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or prospects.***

Our Company was incorporated in the year 2020 following the conversion of Ardee Engineering Company, a partnership firm into our company under the provisions of applicable laws. While our business operations and activities have been carried forward from the erstwhile Partnership Firm, our operating history as a company is limited. As such, investors may find it challenging to evaluate our historical financial performance, business strategy, or future prospects based solely on our financial statements and disclosures as a company.

Our future revenues and profitability are difficult to estimate and could fluctuate significantly and as a result the price of our Equity Shares may be volatile. Additionally, the projects executed by us as disclosed in the DRHP also includes the projects that were executed by the Partnership Firm in past years, we may not be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our result of operations and financial condition will be adversely affected.

Further, as a corporate entity, we are subject to additional regulatory and compliance requirements, including corporate governance norms and statutory obligations, which were not applicable to the partnership firm. Our ability to successfully adapt to these requirements while continuing to grow and sustain our operations remains a key factor in our future performance. Any inability to address these challenges effectively may adversely affect our business operations, financial condition, and results of operations, thereby impacting the value of your investment in our Company.

37. ***We cannot assure you that we will be able to successfully execute our growth strategies, which could affect our business, prospects, results of operations and financial condition.***

As part of our growth strategy, we propose to expand our market penetration in composite structure market, expand more in the process industries and mining space with special emphasis on environmentally sustainable process systems and also precision engineering focused manufacturing catering to aerospace and defense industry needs with a focussed approach towards the MHS segment. Our growth strategies could place significant demand on our management and our administrative, technological, operational and financial infrastructure. We also require skilled domain experts, including engineers, architects, contract managers, and administrative staff, to grow our business.

As part of our growth initiatives, we may also make strategic investments or acquisitions. For instance, on June 15, 2023, we invested in an associate company, Ingwenya Mineral Tech Private Limited. Such examples highlight the challenges and risks associated with implementing growth strategies.

Further, the execution of our growth strategies requires us to focus on business development initiatives. We cannot assure you that our business development initiatives will yield results in the form of contract awards.

In addition, if we raise additional funds for our growth through debt, our interest and debt repayment obligations will increase, and we may be subject to additional restrictive covenants. Further, our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. See also " - ***Our Company has outstanding loans and is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business and our inability in obtaining timely access to borrowings can have an adverse impact on our Company's liquidity and financial condition***" on page 57.

If we are unable to successfully execute our growth strategies, our business, prospects, results of operations and financial condition could be adversely affected.

38. ***If the pre-engineered buildings and material handling solutions that we deliver, experience quality defects or if the services we provide as a part of our contracts with our customers are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to our reputation and/or adversely affect our business, results of operations, financial condition and cash flows.***

Our business relies on our manufacturing, design, engineering, and on-site project management capabilities for delivering pre-engineered buildings ("**PEBs**") and material handling solutions ("**MHS**") to our customers. The fabrication of PEBs and components for MHS is carried out in our manufacturing units under stringent quality control. Since we typically provide under our contracts for both PEBs and MHS, any defects related to design, materials, or workmanship in these offerings could result in significant repair costs. We may not always obtain equivalent warranties from our suppliers for the raw materials used in our products.

Defects in PEBs or MHS, or deficiencies in related services, may result in costs to rectify such issues, including damages claimed by customers. These defects could also delay or prevent market acceptance of our products, harm our reputation, and adversely impact future demand for our offerings. In particular, material handling solutions are often critical to operational workflows, and any failure to meet quality or performance expectations could result in project delays, increased costs, and reputational harm.

Our services under PEB and MHS contracts include design and engineering, manufacturing, and on-site project management for the installation and execution of projects. Customers in both segments rely on our expertise, including design capabilities that directly influence the functionality, efficiency, and aesthetics of buildings and material handling systems. If our services fail to meet customer expectations, we may need to rectify deficiencies at our own cost.

Errors, omissions, or failures to meet the required quality standards in PEB or MHS projects could result in additional costs, including product liability claims or penalties. These issues could lead to order cancellations, loss of customers, and harm to our reputation, adversely affecting our business, results of operations, financial condition, and cash flows. While no significant instances of such claims have been reported for the six months ended September 30, 2024, and in Fiscals 2024, 2023, and 2022, we cannot assure that such events will not occur in the future.

***39. We incur significant employee benefits expense. An increase in employee costs, including on account of changes in regulations, may prevent us from maintaining our competitive advantage and may reduce our profitability.***

We incur various employee benefits expense, including salaries and bonus, contribution to provident and other funds and staff welfare expenses. For the six months ended September 30, 2024 and the Fiscals 2024, 2023 and 2022, our employee benefits expense amounted to ₹166.08 million, ₹272.56 million, ₹204.61 million and ₹142.67 million, respectively, representing 5.76%, 4.39%, 6.18% and 6.58%, respectively, of our revenue from operations for such periods. Salaries and wages may increase in the future due to various factors, including ordinary course pay increases, a raise in minimum wage levels, enhancement in social security measures, competition for talent or through changes in regulations in the jurisdictions in which we operate. For instance, while it is not implemented as on date of this Draft Red Herring Prospectus, such an increase may arise in India on the implementation by the Government of India of its labour codes, namely (i) the Code on Wages, 2019; (ii) the Code on Social Security, 2020; (iii) the Occupational Safety, Health and Working Conditions Code, 2020; and (iv) the Industrial Relations Code, 2020, each as amended from time to time. Our profit margins may be adversely impacted if we are unable to pass on such increases in expenses to our customers.

Unless we can maintain appropriate resource utilization levels, continue to increase the efficiency and productivity of our employees, and effectively transition personnel from completed projects to new projects, the increase in employee benefits expense in the long term may reduce our profit margins, which in turn may adversely affect our results of operations and financial condition.

***40. We rely on third parties, including sub-contractors, to complete certain projects and any failure arising from non-performance, delayed performance or inadequate quality in the performance of work by such third parties, or a failure by third-party subcontractors to comply with applicable laws, to obtain the necessary approvals, or provide services on agreed terms, could adversely affect our business, financial condition, results of operations and cash flows.***

We are typically engaged as a principal contractor for the construction of a project, and we rely on sub-contractors to complete a certain portion of our work. For the six months ended September 30, 2024, and Fiscals 2024, 2023 and 2022, our sub-contracting expenses amounted to ₹598.21 million, ₹872.02 million, ₹489.84 million, and ₹254.81 million, respectively, representing 22.23%, 15.00%, 15.46%, and 11.80%, respectively, of our total expenses.

We also rely on third party equipment manufacturers or suppliers to provide the equipment and materials used for construction of our projects, and other vendors for IT services such as network infrastructure, communications, maintenance of websites and cyber security. We also outsource security guard services for our Manufacturing Units and enter into agreements with such security service providers. Any kind of disassociation or default on contractual obligations or termination of such security service contracts could have an adverse impact on our business.

Engaging sub-contractors is subject to certain risks, including difficulties in overseeing performance, delays which may arise on account of being unable to hire suitable subcontractors, or losses as a result of unexpected sub-contracting cost overruns. Since sub-contractors have no direct contractual relationship with our customers, we are subject to risks associated with non-performance, late performance or poor performance by our sub-contractors. As a result, we may incur additional costs or be exposed to liability arising from poor performance by subcontractors, which may impact our business, reputation and profitability, and may result in litigation or other claims against us. While we may attempt to seek compensation from the relevant subcontractors, we cannot assure you that we will be successful in such a claim.

Further, if sub-contractors engaged by us fail to obtain government or third-party approvals, we may be subject to claims by government authorities or third parties.

In addition, if we are unable to hire qualified subcontractors or find competent equipment manufacturers or suppliers, our ability to successfully complete a project could be affected. If the amount we are required to pay for subcontractors, equipment or supplies exceeds our estimates, we may suffer losses. If a supplier, manufacturer, or sub-contractor fails to provide supplies, equipment or services on agreed terms, we may be required to source these supplies or equipment from another supplier or find a replacement for such a subcontractor (as the case may be) at higher costs than anticipated, which could adversely affect our business, profitability, financial condition and results of operations.

***41. We may be unable to sustain our growth or manage it effectively, which could adversely affect our business, financial condition, results of operations and cash flows.***

We have been able to grow our revenue from operations of ₹6,209.90 million in Fiscal 2024 from ₹3,312.52 million in the Fiscal 2023, representing an increase of 87.47%. Set forth below is a breakdown of our revenue from PEB Contracts, MHS and engineering and other supplies for the periods set-out below:

*(₹ in million)*

| Particulars | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of revenue from operations | Amount (₹ million) | Percentage of revenue from operations | Amount (₹ million) | Percentage of revenue from operations | Amount (₹ million) | Percentage of revenue from operations |
| Revenue from pre-engineered building contracts | 1,447.20 | 50.20% | 3,111.75 | 50.11% | 1,353.83 | 40.87% | 1,556.62 | 71.78% |
| Revenue from material handling systems | 705.41 | 24.47% | 1,221.21 | 19.67% | 1,508.47 | 45.54% | 329.35 | 15.19% |
| Revenue from engineering services | 711.90 | 24.69% | 1,872.11 | 30.15% | 444.10 | 13.41% | 282.67 | 13.03% |

Our continued growth requires us to manage complexities such as those relating to expansion of our manufacturing units, expansion of our geographical footprint, as well as expansion of customer base and increase sales to existing customers. This may require significant time and attention from our management and may place strains on our operational systems and controls.

***42. Upon completion of the Offer, our Promoters will continue to retain control over us.***

After the completion of the Offer, our Promoters will continue to hold a majority of our Equity Shares. Consequently, our Promoters may exercise substantial control over us and may have the power to elect and remove a majority of our Directors and/or determine the outcome of proposals for corporate action requiring approval of our Board or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions.

Additionally, 10,400,000 Equity Shares held by our Promoter Selling Shareholder are pledged with Aditya Birla Finance Limited by virtue of a pledge agreement dated February 7, 2025. In the event of a default under the terms of this pledge, the lender may enforce its rights, including the sale of these pledged shares, which could adversely impact the ability of our Promoters to exercise control over our Company.

Our Promoters may be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our Directors and, in turn, indirectly controlling the selection of our senior management, determining the timing and amount of any dividend payments (if any), approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our Articles of Association. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company. The interests of our Promoters may conflict with the interests of our other shareholders, and our Promoters and Promoter Group could make decisions that materially adversely affect any investments in our Equity Shares. We cannot assure you that our Promoters will resolve or act to resolve any conflicts of interest in our Company's favour. For further details, see "***Capital Structure***" and "***Our Promoters and Promoter Group***" on pages 100 and 281, respectively.

43. ***We have delayed payments of certain statutory dues and have also paid interest and fees towards such delayed payments.***

Our Company has delayed in making payments of statutory dues which were undisputed under certain statutory provisions.

For Fiscals 2024, 2023 and 2022, we have also paid interest and fees towards such delayed payments of certain statutory dues like tax deducted at source, professional tax, provident fund, etc., amounting to ₹6.79 million, ₹4.90 million and ₹1.60 million, respectively. The delay in payments in the last three fiscals are detailed in the table below.

| Head | Fiscal | Interest amount (in ₹ million) | Month of deposit | Reason for delay |
|---|---|---|---|---|
| Provident fund | 2024 | 5.21 | April 2023<br>May 2023<br>June 2023 | Administrative purposes |
| Tax deducted at source | 2024 | 1.58 | April 2023<br>May 2023<br>July 2023<br>August 2023<br>October 2023<br>November 2023<br>January 2024<br>February 2024<br>March 2024 | Administrative purposes |
| Provident fund | 2023 | 1.89 | June 2023 | Administrative purposes |
| Tax deducted at source | 2023 | 3.01 | May 2022<br>June 2022<br>July 2022<br>September 2022<br>November 2022<br>December 2022<br>March 2023 | Administrative purposes |
| Provident fund | 2022 | 1.20 | October 2021<br>December 2021 | Administrative purposes |
| Tax deducted at source | 2022 | 0.40 | May 2021<br>July 2021<br>August 2021<br>October 2021<br>February 2022 | Administrative purposes |

While no legal proceedings or regulatory action has been initiated against our Company or is pending in relation to such defective/incomplete filing of annual consolidated financials as on the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that any fines will be imposed by regulatory authorities on our Company in this respect in the future.

While we have paid the dues and no penalties were imposed on our Company, there is no assurance that there will not be any future instance of delays in payment in statutory dues and any prolonged delay in payment of statutory dues may attract penalties from statutory authorities and in turn, our cash flow from operations and financial conditions may be adversely affected to the extent we have to pay interest and penalties on the same.

44. ***We require various statutory and regulatory permits and approvals in the ordinary course of our business, and our failure to obtain, renew or maintain them in a timely manner may adversely affect our operations.***

We require various statutory and regulatory permits, approvals, licenses, registrations and permissions for our business and operations some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval. For details of the key laws and regulations applicable to us, see "***Key Regulations and Policies in India***" on page 249. We may need to apply for further approvals in the future including renewal of approvals that may expire from time to time. We cannot assure you that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals, including the consent to establish and operate under environmental laws, are granted for a limited duration and require renewal from time to time. While we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected.

Failure to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may adversely affect our business, financial condition and results of operations.

Further, we cannot assure you that the approvals, licenses, registrations, and permits issued to us will not impose onerous requirements and conditions on our operations or will 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. Failure to renew, maintain or obtain, or any suspension or revocation of, the required permits or approvals at the requisite time may result in stringent restrictions or interruption in all or some of our operations. Any failure to renew approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our business, reputation and financial condition.

45. ***Our Promoters, certain of our Directors and Key Management Personnel may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in conflict of interest with us.***

Our Promoter, certain of our Directors and Key Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect. We cannot assure you that our Promoters, certain of whom is our Directors and Key Management Personnel as well, will exercise their rights as shareholders to our benefit and best interest. Further, since our Promoters and Promoter Group hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses, it allows them to exercise significant influence over us. For further information, see "***Our Promoters and Promoter Group – Interests of Promoters***", "***Our Management – Interest of Directors***" and "***Our Management – Interests of Key Managerial Personnel and Senior Management***" on pages 282, 269 and 279 respectively.

46. ***Obsolescence, destruction, theft, and breakdowns of our equipment or failures to repair or maintain equipment may adversely affect our business, cash flows, financial condition and results of operations.***

We maintain a large inventory of equipment. Although we have our inventory insured, we are exposed to associated operational risks such as the obsolescence of equipment, destruction, theft or major equipment breakdowns, or failure to repair our equipment, which may result in project delays and cost overruns. Obsolescence, destruction, theft, or breakdowns of our equipment may significantly increase our capital expenditure, and the depreciation recorded on our plants and equipment and change the way our management estimates the useful life of our plants and equipment. We may not be able to acquire new equipment or repair damaged equipment in time or at all. Further, some of our equipment may be costly to repair. We may also experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by our insurance policies and may adversely affect our business, cash flows, financial condition and results of operations.

47. ***We are subject to risks arising from interest rate fluctuations, which could reduce the profitability of our projects and adversely affect our business, financial condition and results of operations.***

Interest rates for borrowings have been volatile in recent periods. Our operations are funded to a significant extent by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may adversely affect our results of operations and financial condition. Changes in prevailing interest rates affect our interest expense in respect of our borrowings and our interest income in respect of our interest on short term deposits with banks. Our debt facilities carry interest at variable rates as well as fixed rates. As of January 31, 2025 the rate of interest for the term loan facilities availed by our Company typically ranges between 9.35% - 17.35%. The interest rate for the vehicle loans availed by our Company typically ranges between 8.50% - 11.56% and the rate of interest for the unsecured facilities availed by our Company typically ranges from 6.00% - 18.00%.

Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they may result in higher costs.

48. ***We may be subject to labour unrests, labour union activities slowdowns and increased employee costs, which may adversely impact our business and results of operations.***

As of December 31, 2024, we employed 678 permanent employees and 246 contract employees. While we have not faced any material instances of material strikes or labour unrest in the six months ended September 30, 2024 and the last three Fiscals, we cannot assure you that we will not experience any material strikes, labour unrest, labour union activities or other disruptions relating to our workforce in the future, which may adversely affect our business, financial condition, cash flows and results of operations.

We are also subject to a number of stringent labour laws that protect the interests of workers, such as the Industrial Employment (Standing Orders) Act, 1946, the Indian Trade Unions Act, 1926 and the including the Industrial Disputes Act, 1947, which imposes financial obligations on employers upon retrenchment. Any labour unrest including labour disputes, strikes, lockouts or industrial accidents experienced by us or delays in resolving such labour unrest, could directly or indirectly prevent or hinder our normal operating activities. Any such prolonged disruptions to our business could materially and adversely affect our results of operations, financial condition and cash flows.

49. ***The operation of our business is dependent on information technology, and we are subject to risks arising from any failure or disruption to our Information Technology systems.***

Our operations rely heavily on the effectiveness of our IT systems and their ability to record and store confidential information in our information systems, networks, and facilities, including valuable trade secrets and intellectual property, corporate strategic plans, and personally identifiable information of customers, and employees. We also rely on the capacity and reliability of the information technology systems, processing and quality assurance systems that support our operations. Maintaining the confidentiality, integrity and availability of our IT systems and confidential information is vital to our business.

We also depend on licensed software subscriptions for various aspects of our business. If any of the software platforms or technologies that we use become unavailable due to loss of required licenses, extended outages, interruptions, or because they are no longer available on commercially reasonable terms, our business and financial condition may be adversely affected. We are typically subject to standard terms and conditions of such technology service providers that govern the distribution and operation of the software systems, and which are subject to change by such providers from time to time. Our business will be affected if any key providers of such software discontinue, revoke or limit our access to such software or modify their terms of service or other policies, including fees charged.

Although we have not experienced a major disruption in our operations due to failure of such systems, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, financial condition, cash flows and results of operations. Despite our best efforts with our IT Security team and stringent protocols in place, we still may be subject to breaches resulting in the compromise, disruption or unauthorized disclosure or use of confidential information, on account of negligent or wrongful conduct by employees or others with permitted access to our systems and information, or wrongful conduct by hackers, competitors or other current or former company personnel. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees and others. We have not been subject to material incidents of such data security breaches in the past and while we continue to implement measures in an effort to protect, detect, respond to, minimize or prevent these risks and to enhance the resiliency of our IT systems, these measures may not be successful and we may fail to detect or remediate security breaches, malicious intrusions, cyber-attacks or other compromises of our systems, which could have an adverse effect on our reputation, business, financial condition and results of operations.

***50. Our business development efforts involve considerable time and expense, and our revenues may not justify expenses incurred towards business development efforts.***

As part of our business development efforts, we invest considerable time evaluating potential projects and preparing our bids, and in educating potential customers about our organizational capabilities. We also incur costs in making pre-qualification applications, conducting pre-bid inspections, and preparing tendering documents. For details see "***Our Business — Our business operations***" on page 234.

Our results of operations depend on winning contract awards. Our customers may make decisions to award projects based in part or entirely on factors, or perceived factors, not directly related to our technical capabilities, including, among others, that customer's projections of business growth, economic conditions, preferences for particular contractors, and favorable terms offered by competitors. Our business development and bidding efforts require a significant investment of human resources, expense and time, including by our senior management, and we cannot assure you that we will be successful in generating project awards. If our business development efforts do not result in sufficient revenue to justify our costs, our business, financial condition, and results of operations could be adversely affected.

***51. We have leased and subleased some of the properties including our Registered Office and Corporate Office. Any termination or failure by us to renew the lease agreements in a favourable and timely manner, or at all, could adversely affect our business and results of operations.***

We undertake our business operations out of 13 premises as of December 31, 2024, in Telangana, Andhra Pradesh and Madhya Pradesh out of which we operate through 8 of our own premises and through 5 of our customer's premises. Some of our offices, including our Registered Office and the Corporate Office, are located on premises that we occupy pursuant to a sublease, lease or leave and license agreements. If we are unable to renew or extend such agreements on commercially acceptable terms, or at all, we may have to relocate our Registered and our Corporate Office. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements.

Additionally, operating from premises under a sublease arrangement presents inherent risks, including dependency on the primary leaseholder's compliance with its lease obligations. Any default, termination, or non-renewal of the primary lease may directly impact our right to occupy such premises, potentially disrupting our business operations. Moreover, the terms of the sublease may impose additional restrictions or obligations that could limit our operational flexibility.

In addition, lease agreements are required to be duly registered and adequately stamped under Indian law and if any one of our lease agreements is not duly registered and adequately stamped, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India subject to penalties along with the requisite stamp duty prescribed under applicable Indian law being paid.

Occurrence of any of the above events may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

52. ***If we are unable to establish and maintain an effective system of internal controls and compliances, our businesses and reputation could be adversely affected.***

We manage our internal compliance by monitoring and evaluating internal controls and taking reasonable steps to maintain appropriate procedures for relevant statutory and regulatory compliances. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining internal controls requires human diligence and is therefore subject to lapses in judgment and failures that result from human error. Any such errors can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of the Equity Shares. We cannot assure you that deficiencies in our internal controls will not arise, 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, in a timely manner or at all, which may have an adverse effect on our business operations and financial condition.

53. ***We have in the past entered into related party transactions and may continue to do so in the future, and there can be no assurance that we will achieve more favourable terms if such transactions are not entered into with related parties.***

We have in the ordinary course of business entered into transactions with related parties in the past and from time to time, we may enter into related party transactions in the future. While we believe none of such transactions are prejudicial to the interests of our Company, all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. Further, it is likely that we may enter into additional related party transactions in the future. While such related party transactions will be undertaken in accordance with the applicable requirements under the SEBI Listing Regulations, the same related party transactions may potentially involve conflicts of interest and there can be no assurance that we will be able to address such conflict of interest in future.

These related party transactions with our Promoters, Promoter Group, a Directors, Key Managerial Personnel and members of Senior Management, are typically in the nature of payment of rent, reimbursement of expenses, loans given to our Directors, KMPs and members of our Senior Management.

Further, there have been no instances in the last three Fiscals, where any of our related party transactions constituted more than 10% of the total transactions of similar nature. For further information on our related party transactions, see "***Summary of the Offer Document – Summary of Related Party Transactions***" on page 26.

While all the related party transactions in the current Fiscal have been carried out on arm's length basis, we cannot assure you that each of the related party transactions will be carried out on an arm's length basis in the future and on more favourable terms as compared to unrelated parties.

Our related party transactions are not prejudicial to the interest of our Company. It is likely that we will continue to enter into related party transactions in the future. Some of these transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. Although all related-party transactions that we may enter into will be subject to Audit Committee, Board or shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected/ result in the benefit envisaged therein.

54. ***Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our business, results of operations, financial condition and cash flows.***

Our operations are subject to certain hazards such as accidents at work, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause destruction of property plant and machinery and inventory. For details of insurance policies maintained by us, see "***Our Business – Insurance***" on page 246. These insurance policies are generally valid for a year and are renewed annually. We cannot assure you that the renewal of our insurance policies in the future will be granted in a timely manner, at acceptable cost or at all. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations. The table below provides a consolidated view of our insurance coverage for total assets as at September 30, 2024, and for the Fiscals 2024, 2023 and 2022:

| Period | Total value of assets (in ₹ million)* | Insurance Coverage (in ₹ million)** | Percentage of insurance coverage to net value of assets (in %) |
|---|---|---|---|
| As on September 30, 2024 | 1,456.85 | 1,883.49 | 129.29% |
| Fiscal 2024 | 1,441.04 | 1,833.20 | 127.21% |
| Fiscal 2023 | 751.06 | 1,139.21 | 151.68% |
| Fiscal 2022 | 506.35 | 863.40 | 170.51% |

Notes:

** The total assets above includes written down value of property, plant and equipment and inventory as on date.*

***Insurance coverage includes insurance amount of both fire and burglary insurance taken during the year/period and the same are considered for calculation of percentage insurance coverage above.*

Our insurance may not be adequate to completely cover any or all our risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. While we have not faced any such instances till December 31, 2024 which led to a material adverse effect on our business or operations, if our losses significantly exceed or differ from our insurance coverage or cannot be recovered through insurance in the future, our business, results of operations, financial condition and cash flows could be adversely affected. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "***Our Business – Insurance***" on page 246. If insurance coverage, customer indemnifications and/or other legal protections are not available or are not sufficient to cover risks or losses, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***55. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our Company has not declared any dividends in the last three Fiscals. The amount of future dividend payments by our Company, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. There can be no assurance that we will be able to pay dividends in the future. For further details, see "***Dividend Policy***" on page 286.

Additionally, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed to with our lenders. The declaration and payment of dividends will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We cannot assure you that we will be able to pay dividends in the future.

***56. Our Promoters and Directors are engaged in the similar line of business activities as those undertaken by our Company, which may result in conflict of interest.***

Our Promoters and Directors are engaged in the similar line of business as that of our Company, and which may result in a potential conflict of interest. For instance, Chandra Sekhar Moturu and Ragdeep Moturu are directors and shareholders in Ardee Drives Private Limited (formerly known as Balaji Drives Private Limited) and Rotec Transmissions Private Limited, which are engaged in the business of manufacturing of engineering equipment. For further details, see "***Our Promoters and Promoter Group***", "***Our Management***", and "***Our Group Companies***" on page 281, 261, and 391. Though these companies target separate set of customers than that of our Company, we cannot assure you that such companies will not compete with us in similar markets or our existing business or any future business that we may undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business. Any such present and future conflicts may have an adverse effect on our reputation, business and results of operations.

57. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company.***

We have availed the services of an independent third-party research agency, CARE Limited appointed on October 15, 2024, to prepare an industry report titled "***Research Report on Construction Engineering***" dated March 27, 2025 ("***CARE Report***") exclusively for purposes of inclusion of such information in this Draft Red Herring Prospectus. CARE Report highlights certain industry and market data, which may be subject to estimates and/or assumptions. We cannot assure you that estimates and/or assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Additionally, some of the data and information in the CARE Report is also based on discussions/conversations with industry sources. Industry sources and publications are also prepared based on information as of specific dates and may not be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Given the scope and extent of the CARE Report, disclosures are limited to certain excerpts and the CARE Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. The report is a paid report that has been commissioned by our Company and is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Further, the CARE Report is not a recommendation to invest or disinvest in our Company.

58. ***The proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder.***

This Offer is being undertaken as a Fresh Issue and an Offer for Sale of Equity Shares by the Promoter Selling Shareholder. The Promoter Selling Shareholder shall be entitled to the net proceeds from the Offer for Sale, which comprise the proceeds from the Offer for Sale net of Offer expenses shared by the Promoter Selling Shareholder, and our Company will not receive any proceeds from the Offer for Sale. For further details, see "***The Offer***", "***Capital Structure***" and "***Objects of the Offer***" on pages 83, 100 and 112, respectively.

59. ***Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to repay our debts.

The table below provides brief details of our borrowings as of the dates indicated:

| Date of rating | Facilities | Rating assigned | Credit rating agency |
|---|---|---|---|
| July 30, 2024 | Long term bank facilities | CARE BBB, stable | CARE Ratings Limited |
| | Short term bank facilities | CARE A3+ | |
| January 4, 2023 | Long term bank facilities | CARE BBB-; stable | |
| | Short term bank facilities | CARE A3 | |

Ratings reflect a credit rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

60. ***We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operations and financial performance in this Draft Red Herring Prospectus that are subject to inherent measurement challenges. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial, or industry-related statistical information of similar nomenclature computed and presented by other companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool for investors and there can be no assurance that there will not be any issues or such tools will be accurate going forward.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We have computed and disclosed some such non-GAAP financial and operational measures, and such other industry-related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of businesses similar to ours, many of which provide such non-GAAP financial and operational measures, and other industry-related statistical and operational information. These non-GAAP financial and operational measures, and such other industry-related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry-related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business. See "***Definitions and Abbreviations***", "***Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation***", "***Basis for Offer Price***", "***Our Business***", "***Restated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 1, 16, 139, 219, 287 and 343, respectively.

Further, in evaluating our business, we consider and use certain key performance indicators that are presented herein as supplemental measures to review and assess our operating performance. We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations and may not be comparable to, estimates or similar metrics or information published by third parties and other peer companies due to differences in sources, methodologies, or the assumptions on which we rely, and hence their comparability may be limited. As a result, these metrics should not be considered in isolation or construed as an alternative to our financial statements or as an indicator of our operating performance, liquidity, profitability or results of operations. Further, as the industry in which we operate continues to evolve, the measures by which we evaluate our business may change over time. Investors are cautioned against considering such KPIs either in isolation or as a substitute for an analysis of the Restated Financial Information of our Company in disclosed in "***Our Business***", "***Restated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 219, 287 and 343, respectively.

Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our key performance indicators are not accurate representations of our business, or if investors do not perceive these metrics to be sufficient or accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be materially and adversely affected, the market price of our shares could decline, we may be subject to shareholder litigation, and our business, results of operations, and financial condition could be materially adversely affected.

**External Risk Factors**

61. ***Our business benefits from the National Steel Policy introduced by the Government of India to boost the steel industry. Withdrawal of this policy could have an adverse impact on our business, results of operations, financial condition and cash flows.***

The National Steel Policy was introduced in 2017 ("**NSP**") with the objective to increase domestic steel production and consumption, produce high-quality steel and increasing India's competitiveness globally. It also focuses on cost efficiency, raw material availability and research and development to achieve the overall objectives laid out under the policy. It aims to create a technologically advanced and globally competitive steel industry which will promote self-sufficiency in steel production as well as economic growth. This has resulted in boosting of usage of steel and products manufactured from steel. A withdrawal of this policy could have an adverse impact on our business, results of operations, financial condition and cash flows. We expect to benefit from the above government initiatives and other initiatives similar thereto, and our business growth and continued profitability would depend in part on favourable government initiatives such as these, and in the absence of such favourable initiatives, our growth and future financial performance may be adversely affected.

62. ***Our business is dependent on the Indian economy. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India. The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects, and reduce the price of our equity shares.

63. ***Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business, results of operations and cash flows.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which is outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

64. ***Changing laws, rules or regulations and legal uncertainties including taxation laws, or their interpretation, may significantly affect our financial statements.***

The regulatory environment in which we operate is evolving and is subject to change. Governmental and regulatory bodies in India and other countries may enact new regulations or policies, which may require us to obtain approvals and licenses from applicable governments and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are in the process of obtaining. New compliance requirements could increase our costs or otherwise adversely affect our business, prospects, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. For information on the laws applicable to us, see "***Key Regulations and Policies in India***" on page 249.

Further, the GoI has notified the Finance Bill, 2025 ("**Finance Act**") which has introduced various amendments to the Income Tax Act. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business and operation could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. 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. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

The Government of India has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labour Codes**") which consolidate, subsume and replace numerous existing central labour legislations. Different provisions of the Labour Codes may have varying effective dates. While the rules for implementation under these codes have not been notified in its entirety, 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 example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future.

Similarly, changes in other laws may require additional compliance and/or result in us incurring additional expenditure. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

65. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business, results of operations and cash flows.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding, or action in concert, which causes or is likely to cause an AAEC, is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment, or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of 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.

On April 11, 2023, the Competition (Amendment) Bill 2023 received the assent of the President of India to become the Competition (Amendment) Act, 2023 ("**Competition Amendment Act**"), amending the Competition Act and giving the CCI additional powers to prevent practices that harm competition and the interests of consumers. It has been enacted to increase the ease of doing business in India and enhance transparency. The Competition Amendment Act, *inter alia,* modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

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

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

We are dependent on domestic, regional and global economic and market conditions. The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious diseases such as H7N, H5N1, H1N1 influenza of birds and man-made disasters, including acts of war, terrorist attacks, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, cash flows financial condition, and results of operations.

Developments in the ongoing international conflicts such as the Russia-Ukraine war or the Israel-Gaza unrest have resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social and economic in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

67. ***If inflation rises in India, increased cost may result in a decline in profits.***

Inflation rates could be volatile, and we may continue to face high inflation in the future, similar to what India witnessed in the past. Increasing inflation in India can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries and other expenses relevant to our business, which may adversely affect our business and financial condition. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to customers, whether entirely or in part, and the same may adversely affect our business and financial condition. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. 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, prospects, financial condition, results of operations and cash flows. While the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future. Any increase in inflation will have an impact on our costs and financial condition.

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

68. ***The Offer Price, market capitalization to revenue from operations multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.***

Set forth below are details regarding our revenue from operations and restated profit / (loss) after tax in the corresponding year:

(*₹ in million*)

| Particulars | Fiscal 2024 |
|---|---|
| Revenue from operations | 6,209.90 |
| Profit / (loss) for the year | 291.05 |

Our market capitalization to revenue from operations (Fiscal 2024) multiple is [●] times and our price to earnings ratio (based on Fiscal 2024 restated profit / (loss) after tax for the period / year) is [●] at the upper end of the Price Band and [●] at the lower end of the Price Band. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors as set out in "***Basis for Offer Price***" on page 139, and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter. Investors are advised to make an informed decision while investing in our Company taking into consideration the price per share that will be published in price advertisement, the revenue generated per share in the past and the market capitalization of our company vis-à-vis the revenue generated per share.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching new products or superior products, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

69. ***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 BRLM 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, in consultation with the BRLM. Furthermore, the Offer Price of the Equity Shares will be determined by our Company, in consultation with the BRLM through the Book Building Process. These will be based on numerous factors, including factors as described under "***Basis for Offer Price***" on page 139 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLM is below their respective issue price. For further details, see "***Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers***" on page 399. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

70. ***Subsequent to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measures and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, customer concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net worth, other measures such as price-to-earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, limiting trading frequency or freezing of price on the upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

***71. 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, including in relation to class actions, may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face more challenges in asserting their rights as a shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

***72. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, and executive officers in India respectively, except by way of a law suit in India.***

We are incorporated under the laws of India and most of our Directors, Key Managerial Personnel and Senior Management reside in India. As of the date of this Draft Red Herring Prospectus, all of our assets are located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**").

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 Sections 13, 14 and 44A of the CPC on a statutory basis. Section 44A of the CPC 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 CPC 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).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Republic of Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. 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 CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. 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.

The United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the CPC. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

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

In terms of the Finance Bill (No.2), 2024, with effect from July 24, 2024, 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 12.5%, where the long-term capital gains exceed ₹125,000. 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.

Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. 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.

74. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to 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 proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

75. ***Our Company's Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and may not be indicative of the market price of the Equity Shares after the Offer, and you may be unable to resell your Equity Shares at or above the Offer Price or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. These broad market fluctuations and industry factors may materially reduce the market price of our Equity Shares, regardless of our Company's performance. In addition, following the expiry of the six-month locked-in period on certain portions of the pre-Offer Equity Share capital, the pre-Offer shareholders may sell their shareholding in our Company, depending on market conditions and their investment horizon. Any perception by investors that such sales might occur could additionally affect the trading price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to sell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

76. ***There is no guarantee that the Equity Shares of our Company will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with applicable Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until the Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the Stock Exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

***78. 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 the Promoters may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, convertible securities or securities linked to Equity Shares, including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India, or any public perception regarding such issuance or sales, 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. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of a shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries / departments are responsible for granting approval for foreign investment. 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.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. 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 or at all.

For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 436.

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

Our Restated Financial Information for six months ended September 30, 2024, Fiscals 2024, 2023 and 2022 are derived from our Audited Special Purpose Interim Consolidated Ind AS Financial Statements as at and for the six months ended September 30, 2024, Audited Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2024, Audited Special Purpose Ind AS Financial Statements as at and for the year ended March 31, 2023 and Audited Special Purpose Financial Statements as at and for the year ended March 31, 2022, prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

82. ***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, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of 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 by holders of three-fourths of the equity shares voting on such 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.

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

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

84. ***Our customers may engage in 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 may enter into transactions with customers who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. There can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could 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 could 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.

## SECTION III – INTRODUCTION

## THE OFFER

The following table summarises the Offer details:

| | |
|---|---|
| **Offer**(1)(2) | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,800.00 million |
| *The Offer comprises:* | |
| Fresh Issue(1)(3) | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,000.00 million |
| Offer for Sale(2) | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million |
| | |
| *The Offer comprises of:* | |
| | |
| **A. QIB Category** (4) | Not less than [●] Equity Shares of face value of ₹5 each |
| *Of which:* | |
| Anchor Investor Portion(5) | Up to [●] Equity Shares of face value of ₹5 each |
| Net QIB Category (assuming Anchor Investor Portion is fully subscribed) | Up to [●] Equity Shares of face value of ₹5 each |
| *Of which:* | |
| Mutual Fund Portion (5% of the Net QIB Category) | [●] Equity Shares of face value of ₹5 each |
| Balance of Net QIB Category for all QIBs including Mutual Funds | [●] Equity Shares of face value of ₹5 each |
| | |
| **B. Non-Institutional Category**(6) | Not more than [●] Equity Shares of face value of ₹5each |
| *Of which:* | |
| One-third available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 | [●] Equity Shares of face value of ₹5 each |
| Two-thirds available for allocation to Bidders with a Bid size of more than ₹1,000,000 | [●] Equity Shares of face value of ₹5 each |
| | |
| **C. Retail Category** | Not more than [●] Equity Shares of face value of ₹5 each |
| | |
| **Pre and post-Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus) | 40,000,000 Equity Shares of face value of ₹5 each |
| Equity Shares outstanding after the Offer | [●] Equity Shares of face value of ₹5 each |
| | |
| **Use of Net Proceeds** | See "***Objects of the Offer***" on page 112 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale |

(1) *Our Board has authorised the Offer pursuant to its resolution dated February 28, 2025. Our Shareholders have authorised the Fresh Issue pursuant to its special resolution dated March 10, 2025.*

(2) *Our Borad has taken on record the consent for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated March 27, 2025. The Promoter Selling Shareholder confirms that the Offered Shares have been held by him for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. In accordance with Regulation 8A of the SEBI ICDR Regulations, the Offered Shares of the Promoter Selling Shareholder holding, individually or with persons acting in concert, more than 20.00% of pre-issue shareholding of the Company, shall not exceed more than 50% of their respective pre-issue shareholding. The Promoter Selling Shareholder has authorized the inclusion of the Offered Shares in the Offer for Sale. The details of authorization by the Promoter Selling Shareholder approving his participation in the Offer for Sale are as set out below:*

| Name of the Promoter Selling Shareholder | Date of consent letter | Maximum value of Offered Shares |
|---|---|---|
| Chandra Sekhar Moturu | March 27, 2025 | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million |

(3) *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the*

*Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law. Further, if at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "**Offer Structure**" on page* 413.

(5) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to 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 the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Category. Further, 5% of the Net QIB Category 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 Net QIB Category. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Category. For further details, see "**Offer Procedure**" on page 417.*

(6) *Not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. The allocation to each Non-Institutional Investors shall not be less than the applicable minimum application size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "**Offer Procedure**" on page 417.*

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post-Offer paid-up Equity Share capital of our Company. Allocation to all categories, except the Anchor Investor Portion, if any, the Non-Institutional Category and the Retail Category, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. Not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other subcategory of Non-Institutional Category. The allocation to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For further details, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 406, 413 and 417, respectively.

## SUMMARY FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "***Restated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 287 and 343, respectively. The following tables set forth summary financial information of our Company as at and for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, derived from our Restated Financial Information.

[*Remainder of this page has been intentionally left blank*]

### Summary of restated consolidated statement of assets and liabilities

*(₹ in millions)*

| Particulars | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| a) Property, plant and equipment | 774.05 | 757.51 | 304.50 | 181.89 |
| b) Capital work-in-progress | 31.64 | - | - | - |
| c) Right-of-use assets | 14.15 | 19.46 | 20.02 | 27.51 |
| d) Intangible assets | 1.90 | 1.84 | 0.47 | - |
| e) Financial assets | | | | |
| (i) Investments | 12.10 | 6.86 | - | - |
| (ii) Trade receivables | 130.73 | 80.65 | 39.90 | - |
| (iii) Other financial assets | 15.95 | 24.28 | 44.93 | 36.90 |
| f) Deferred tax assets (net) | 28.22 | 28.89 | 35.40 | 25.65 |
| **Total non-current assets** | **1,008.74** | **919.49** | **445.22** | **271.95** |
| **Current assets** | | | | |
| a) Inventories | 682.80 | 683.53 | 446.56 | 324.46 |
| b) Financial assets | | | | |
| (i) Investments | 8.31 | 7.96 | - | - |
| (ii) Trade receivables | 1,710.39 | 1,477.98 | 799.85 | 707.24 |
| (iii) Cash and cash equivalents | 0.81 | 1.08 | 250.59 | 0.41 |
| (iv) Bank balances other than (iii) above | 242.60 | 242.27 | 34.09 | 26.32 |
| (v) Other financial assets | 988.61 | 1,029.21 | 486.44 | 347.85 |
| c) Current tax assets (net) | - | - | 0.89 | 0.22 |
| d) Other current assets | 307.64 | 260.12 | 103.58 | 123.66 |
| **Total current assets** | **3,941.16** | **3,702.15** | **2,122.00** | **1,530.16** |
| | | | | |
| **Total assets** | **4,949.90** | **4,621.64** | **2,567.22** | **1,802.11** |
| | | | | |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| a) Equity share capital | 200.00 | 200.00 | 190.00 | 90.00 |
| b) Other equity | 830.97 | 673.11 | 141.31 | 30.78 |
| **Total equity** | **1,030.97** | **873.11** | **331.31** | **120.78** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 288.02 | 371.71 | 154.81 | 212.38 |
| (ia) Lease liabilities | 7.27 | 10.26 | 12.95 | 19.87 |
| b) Provisions | 11.76 | 13.03 | 10.22 | 10.03 |
| **Total non-current liabilities** | **307.05** | **395.00** | **177.98** | **242.28** |
| | | | | |
| Current liabilities | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 1,608.30 | 1,478.88 | 878.11 | 534.53 |
| (ia) Lease liabilities | 8.95 | 11.52 | 9.32 | 9.08 |
| (ii) Trade payables | | | | |

| Particulars | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| Total outstanding dues of micro enterprises and small enterprises | 118.06 | 1,028.37 | 348.70 | 186.43 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,597.14 | 670.00 | 457.22 | 340.75 |
| (iii) Other financial liabilities | 26.84 | 77.98 | 15.75 | 11.95 |
| b) Provisions | 5.33 | 1.91 | 1.38 | 0.76 |
| c) Other current liabilities | 228.22 | 79.90 | 347.45 | 355.55 |
| d) Current tax liabilities (net) | 19.04 | 4.97 | - | - |
| **Total current liabilities** | **3,611.88** | **3,353.53** | **2,057.93** | **1,439.05** |
| **Total liabilities** | **3,918.93** | **3,748.53** | **2,235.91** | **1,681.33** |
| **Total equity and liabilities** | **4,949.90** | **4,621.64** | **2,567.22** | **1,802.11** |

## Summary of restated consolidated statement of profit and loss

*(₹ in millions)*

| Particulars | Consolidated For the six months ended September 30, 2024 | Consolidated Fiscal 2024 | Standalone Fiscal 2023 | Standalone Fiscal 2022 |
|---|---|---|---|---|
| **Income** | | | | |
| Revenue from operations | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |
| Other income | 11.26 | 18.47 | 4.70 | 8.04 |
| **Total Income (I)** | **2,894.08** | **6,228.37** | **3,317.22** | **2,176.68** |
| | | | | |
| **Expenses** | | | | |
| Cost of materials consumed | 1,450.76 | 4,080.48 | 2,170.91 | 1,460.06 |
| Changes in inventories of work-in-progress | 312.52 | 4.92 | (173.72) | (37.85) |
| Employee benefits expense | 166.08 | 272.56 | 204.61 | 142.67 |
| Finance costs | 114.48 | 156.01 | 72.44 | 50.13 |
| Depreciation and amortisation expense | 27.63 | 35.85 | 28.22 | 23.28 |
| Other expenses | 619.37 | 1,265.33 | 866.83 | 520.84 |
| **Total expenses (II)** | **2,690.84** | **5,815.15** | **3,169.29** | **2,159.13** |
| | | | | |
| **Profit before share of profit from an associate and tax (I-II=III)** | **203.24** | **413.22** | **147.93** | **17.55** |
| | | | | |
| Share of profit from an associate (IV) | 5.24 | 1.41 | **-** | **-** |
| **Profit before tax (III+IV=V)** | **208.48** | **414.63** | **147.93** | **17.55** |
| | | | | |
| **Tax expense** | | | | |
| Current tax | 52.47 | 101.20 | 49.02 | 23.68 |
| Adjustment of income tax relating to earlier years (net) | - | 16.12 | - | - |
| Deferred tax | 0.04 | 6.26 | (10.22) | (18.99) |
| **Total tax expense (VI)** | **52.51** | **123.58** | **38.80** | **4.69** |
| **Profit after tax (V-VI=VII)** | **155.97** | **291.05** | **109.13** | **12.86** |
| **Other comprehensive income** | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Remeasurements of defined benefit liability | 2.52 | 1.00 | 1.87 | - |
| Deferred tax relating to these items | (0.63) | (0.25) | (0.47) | - |
| **Total other comprehensive income, net of tax (VIII)** | **1.89** | **0.75** | **1.40** | **-** |
| **Total comprehensive income (VII+VIII=IX)** | **157.86** | **291.80** | **110.53** | **12.86** |
| Earnings per equity share (Face value of ₹5 each) # | | | | |
| Basic (In INR) | 3.90 | 7.65 | 4.70 | 0.71 |
| Diluted (In INR) | 3.90 | 7.65 | 4.70 | 0.71 |

# *Basic and Diluted earnings per share for six months ended September 30, 2024 are not annualised.*

## Summary of restated consolidated statement of cashflows

(₹ in millions)

| Particulars | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| Profit before tax | 208.48 | 414.63 | 147.93 | 17.55 |
| **Adjustments for:** | | | | |
| Depreciation and amortisation expense | 27.63 | 35.85 | 28.22 | 23.28 |
| Credit impaired trade receivables written off | - | - | 32.49 | 0.03 |
| Interest expense on borrowings measured at amortised cost | 95.31 | 142.37 | 66.27 | 40.96 |
| Interest expense on lease liabilities | 0.90 | 2.32 | 2.41 | 3.00 |
| Interest income on security deposits | (0.08) | (0.12) | (0.05) | (0.04) |
| Interest income on fixed deposits | (4.83) | (8.97) | (4.62) | (2.57) |
| Interest expense on income tax | - | 3.07 | - | - |
| Loss on sale of Property, plant and equipment | - | - | 0.18 | - |
| Share of profit from an associate | (5.24) | (1.41) | - | - |
| Net gain on financial assets designated on FVTPL | (0.35) | (0.46) | - | - |
| Liabilities no longer required written back | (6.00) | (8.92) | - | - |
| Other borrowing costs | 18.27 | 6.49 | 2.84 | 6.17 |
| Provision for credit impaired trade receivables | 5.55 | 24.07 | 41.87 | 76.27 |
| **Operating profit before working capital changes** | **339.64** | **608.92** | **317.54** | **164.65** |
| **Changes in working capital** | | | | |
| **Adjustments for (increase) / decrease in operating assets:** | | | | |
| Trade receivables | (288.04) | (742.95) | (206.87) | (314.01) |
| Inventories | 0.73 | (236.97) | (122.10) | (219.05) |
| Other financial assets | 49.01 | (522.00) | (146.57) | (200.04) |
| Other assets | (47.52) | (156.54) | 20.08 | (36.13) |
| **Adjustments for increase / (decrease) in operating liabilities:** | | | | |
| Trade payables | 22.83 | 901.37 | 278.74 | 168.08 |
| Provision | 4.67 | 4.34 | 2.68 | 10.79 |
| Other financial liabilities | (52.92) | 62.23 | 3.80 | 11.10 |
| Other liabilities | 148.32 | (267.55) | (8.10) | 195.80 |
| **Cash flows from/(used in) operations** | **176.72** | **(349.15)** | **139.20** | **(218.81)** |
| Income tax paid (net of refund) | (38.40) | (114.53) | (49.69) | (27.61) |
| **Net cash flow from/(used in) operating activities** | **138.32** | **(463.68)** | **89.51** | **(246.42)** |
| **B. Cash flows from investing activities** | | | | |
| Purchase of property, plant and equipment and intangible assets (including Capital work-in-progress) | (70.56) | (482.49) | (145.01) | (141.71) |
| Proceeds from sale of property, plant and equipment | - | 1.80 | 1.02 | 32.68 |
| Investment in associate | - | (5.45) | - | - |
| Investment in mutual funds | - | (7.50) | - | - |
| Movement in bank balances other than cash and cash equivalent | (0.33) | (208.18) | (7.77) | 1.67 |
| Interest received on fixed deposits | 4.83 | 8.97 | 4.62 | 2.57 |

| Particulars | | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|---|
| **Net cash flows used in investing activities** | | **(66.06)** | **(692.85)** | **(147.14)** | **(104.79)** |
| **C. Cash flow from financing activities** | | | | | |
| Proceeds from issuance of equity share capital including securities premium | | - | 250.00 | - | - |
| Proceeds from long term borrowings | | 72.60 | 403.51 | 56.30 | 26.26 |
| Repayment of long term borrowings | | (122.52) | (71.26) | (42.31) | - |
| Proceeds from short term borrowings (net) | | 95.65 | 479.72 | 367.95 | 378.28 |
| Interest paid on borrowings | | (93.53) | (136.67) | (62.21) | (40.96) |
| Other borrowing costs | | (18.27) | (6.49) | (2.84) | (6.17) |
| Payment towards principal portion of lease liability | | (5.56) | (9.47) | (6.68) | (5.88) |
| Interest paid on lease liabilities | | (0.90) | (2.32) | (2.40) | (3.00) |
| **Net cash flows generated from/(used in) financing activities** | | **(72.53)** | **907.02** | **307.81** | **348.53** |
| **Net Increase/(decrease) in cash and cash equivalents** | **A+B +C** | **(0.27)** | **(249.51)** | **250.18** | **(2.68)** |
| Cash and cash equivalents at the beginning of the period/year | | 1.08 | 250.59 | 0.41 | 3.09 |
| **Cash and cash equivalents at the end of the period/year** | | **0.81** | **1.08** | **250.59** | **0.41** |

## GENERAL INFORMATION

Our Company was originally formed as a partnership firm 'Ardee Engineering Company' pursuant to a partnership deed dated January 18, 2008 ("**Partnership Deed**") in Hyderabad, Andhra Pradesh, registered under the Indian Partnership Act, 1932 bearing firm registration number 253 of 2008, issued by Government of Andhra Pradesh dated February 6, 2008. The Partnership Deed was entered into amongst Chandra Sekhar Moturu and Ragdeep Moturu to commence the business of engineering works.

Subsequently, pursuant to a certificate of incorporation dated July 20, 2020, issued by the Registrar of Companies, Central Registration Centre the partnership firm was converted into and was registered as a private limited company under the provision of Chapter XXI of the Companies Act, 2013 under the name 'Ardee Engineering Private Limited'. The first directors of our Company, namely, Chandra Sekhar Moturu and Ragdeep Moturu were allotted 8,100,000 equity shares and 900,000 equity shares, respectively of our Company. Thereafter, pursuant to a board resolution dated June 3, 2024 and shareholders' resolution dated June 5, 2024, 'Ardee Engineering Private Limited' was converted into a public limited company and the name of our Company was changed to 'Ardee Engineering Limited', and a fresh certificate of incorporation dated August 5, 2024 was issued by the Registrar of Companies, Central Registration Centre.

**Corporate Identity Number:** U29100TG2020PLC141953

**Company Registration Number:** 141953

**Registered and Corporate Office of our Company**

8-2-334/K/1, Flat Nos. 101, 102 and 103 Aditya Court
Road No. 5, Banjara Hills
Hyderabad 500 034
Telangana, India

**Address of the Registrar of Companies**

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

**Registrar of Companies, Telangana**

2nd Floor, Corporate Bhawan
GSI Post, Nagole
Bandlaguda, Hyderabad 500 068
Telangana, India

**Board of Directors of our Company**

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

| Name and Designation | DIN | Address |
|---|---|---|
| **Chandra Sekhar Moturu**<br>*Chairman and Managing Director* | 02010969 | 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India |
| **Ragdeep Moturu**<br>*Whole Time Director* | 07587747 | 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India |
| **Arundeep Moturu**<br>*Executive Director* | 10566391 | 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India |
| **Krishna Kumari Moturu**<br>*Executive Director* | 10376709 | 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India |
| **Gorrepati Sundararama Sarma**<br>*Executive Director* | 10122348 | House No. 14- 542/2, villa no. 2, Mythri Lake View, Nehru Outer Ringroad, near Praneeth Pranav Gems, Gandhi Nagar, Bollaram, Patancheru, Sangareddy 502 319, Telangana, India |
| **Yalamanchili Visweswara Prasad**<br>*Independent Director* | 01830782 | A-38, Lake Community, Emaar Boulder Hills, Gachibowli, K.V. Rangareddy, Gachibowli 500 032, Telangana, India |
| **Srinivas Aravapalli**<br>*Independent Director* | 10248373 | 403 Pegasus A Meenakshi Sky Lounge, Hytex Road, Hytex Exhibition Centre, Khanmet Kondapur, Rangareddy 500 084, Telangana, India |

| Name and Designation | DIN | Address |
|---|---|---|
| **Ravinder Komaragiri** *Independent Director* | 08877012 | Villa 9, Praneeth West Woods, Kanchi Gachibowli Road, near T.I.F.R, Gopanpally, Serilingampally, Rangareddy 500 046, Telangana, India |
| **Ravikanth Mallina** *Independent Director* | 00297186 | 23-15-23, near Ramakrishna Seva Samithi, Park Street Sajjpuram, Tanuka Mandal, Tanuka, West Godavari, Andhra Pradesh 534 211, Andhra Pradesh, India |
| **Anjaneyulu Krothapalli** *Independent Director* | 02908525 | 129 Callecita, Los Gatos, California, 95032, United States of America |
| **Sneha Sunkara** *Independent Director* | 10289148 | Flat no. – 303, Gar Amali Apartments, Road no. 4, Beside Animal Care Hospital, Banjara Hills, Khairtabad Hyderabad 500 034, Telangana, India |

For further details and brief profiles of our Directors, see "***Our Management***" on page 261.

**Company Secretary and Compliance Officer**

Disha Jindal is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth below:

**Disha Jindal**
8-2-334/K/1, Flat Nos. 101, 102 and 103 Aditya Court
Road No. 5, Banjara Hills
Hyderabad 500 034
Telangana, India
**Tel:** +91 40 2354 3451
**E-mail:** compliance@ardee.co.in

**Filing of this Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular and will also be filed with the SEBI at the following address:

**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 (East)
Mumbai 400 051
Maharashtra, India

**Filing of the Red Herring Prospectus and Prospectus**

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed with the RoC in accordance with Section 32 of the Companies Act, and a copy of the Prospectus shall be filed with the RoC as required under Section 26 of the Companies Act and through the electronic portal at https://www.mca.gov.in/.

**Investor Grievances**

**Bidders may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode or unblocking of funds, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.**

All Offer-related grievances, other than those of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application 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 Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries 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. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related 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, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

**Book Running Lead Managers**

**IIFL Capital Services Limited**
*(formerly known as IIFL Securities Limited)*
24th floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India
**Tel:** + 91 22 4646 4728
**E-mail:** ardee.ipo@iiflcap.com
**Investor grievance e-mail:** ig.ib@iiflcap.com
**Contact person:** Yogesh Malpani / Khushi Bhatia
**Website:** www.iiflcap.com
**SEBI registration number:** INM000010940

**JM Financial Limited**
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
**Tel:** +91 22 6630 3030
**E-mail:** ardee.ipo@jmfl.com
**Investor grievance e-mail:** grievance.ibd@jmfl.com
**Contact person:** Prachee Dhuri
**Website:** www.jmfl.com
**SEBI registration number:** INM000010361

**Statement of inter-se allocation of responsibilities amongst the BRLMs**

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

| S. No | Activity | Responsibility | Co-ordination |
|---|---|---|---|
| 1. | Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of our Company including its operations, management, business plans or legal etc. Drafting, design and finalizing of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Forms, Abridged Prospectus etc. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities | BRLMs | IIFL |
| 2. | Drafting and approval of all statutory advertisements including audio and video presentation | BRLMs | IIFL |
| 3. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure and filing of media compliance report | BRLMs | JM Financial |

| S. No | Activity | Responsibility | Co-ordination |
|---|---|---|---|
| 4. | Appointment of intermediaries - Registrar to the Offer, advertising agency, printer (including coordination for agreements) | BRLMs | IIFL |
| 5. | Appointment of all other intermediaries - Bankers to the Offer, monitoring agency (including co-ordination for agreements) | BRLMs | JM Financial |
| 6. | Preparation of road show marketing presentation and frequently asked questions | BRLMs | JM Financial |
| 7. | Domestic institutional marketing of the Offer, which will cover, inter alia:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of domestic investors for one-to-one meetings; and<br>• Finalizing domestic road show and investor meeting schedule | BRLMs | IIFL |
| 8. | International institutional marketing of the Offer, which will cover, inter alia:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of international investors for one-to-one meetings; and<br>• Finalizing international road show and investor meeting schedule | BRLMs | JM Financial |
| 9. | Non-institutional marketing of the Offer, which will cover, inter alia:<br>• Finalising media, marketing and public relations strategy; and<br>• Formulating strategies for marketing to Non – Institutional Investors. | BRLMs | IIFL |
| 10. | Retail marketing of the Offer, which will cover, inter alia:<br>• Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows<br>• Finalising collection centres<br>• Finalising application form<br>• Finalising centres for holding conferences for brokers etc.<br>• Follow – up on distribution of publicity; and<br>• Offer material including form, Red Herring Prospectus or Prospectus and deciding on the quantum of the Offer material | BRLMs | JM Financial |
| 11. | Managing the book and finalization of pricing in consultation with our Company | BRLMs | IIFL |
| 12. | Coordination with Stock Exchanges for anchor intimation, anchor CAN, book building software, bidding terminals and mock trading | BRLMs | JM Financial |
| 13. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Offer, intimation of allocation and dispatch of refund to bidders, etc.<br><br>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 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<br><br>Payment of the applicable securities transaction tax (“**STT**”) on sale of unlisted equity shares by the Promoter Selling Shareholder under the Offer for Sale to the Government and | BRLMs | IIFL |

| S. No | Activity | Responsibility | Co-ordination |
|---|---|---|---|
| | Submission of all post Offer reports including the final Post Offer report to SEBI | | |

**Syndicate Members**

[●]

**Legal Counsel to the Company as to Indian Law**

**Trilegal**
DLF Cyber Park
Tower C, 1st Floor
Phase II, Udyog Vihar, Sector 20
Gurugram 122 008
Haryana, India
**Tel**: +91 12 4625 8598

**Registrar to the Offer**

**Bigshare Services Private Limited**
S6-2, 6th Floor, Pinnacle Business Park
Mahakali Caves Road, next to Ahura Centre
Andheri East, Mumbai 400 093
Maharashtra, India
**Tel:** +91 22 6263 8200
**E-mail:** ipo@bigshareonline.com
**Investor grievance e-mail:** investor@bigshareonline.com
**Contact person:** Vinayak Morbale
**Website:** https://www.bigshareonline.com
**URL SEBI website**: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10
**SEBI registration number:** INR000001385

**Bankers to the Offer**

***Escrow Collection Bank***

[●]

***Public Offer Account Bank***

[●]

***Refund Bank***

[●]

***Sponsor Banks***

[●]

**Joint Statutory Auditors to our Company**

**C. Venkat Krishna & Co., Chartered Accountants**
4th Floor, Owners Pride
Plot No 1717, Road No. 12
Banjara Hills, Hyderabad 500 034
Telangana, India
**Email**: capvns61@gmail.com
**Tel:** +91 40 2338 2345, +91 40 2338 2339
**Peer Review Certificate No.**: 014125
**Firm Registration No.**: 004599S

**M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants**
1101/B, Manjeera Trinity Corporate
JNTU - Hitech City Road
Kukatpally, Hyderabad 500 072
Telangana, India
**Email**: tarunjain@bdo.in
**Tel:** +91 40 4852 4966
**Peer Review Certificate No.**: 015832
**Firm Registration No.**: 001595S/S000168

**Changes in auditors**

There has been no change in the statutory auditors of our Company during the last three years, except as mentioned below.

| Particulars of statutory auditors | Date of the change | Reason for change |
|---|---|---|
| **M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants**<br>1101/B, Manjeera Trinity Corporate<br>JNTU - Hitech City Road<br>Kukatpally, Hyderabad 500 072<br>Telangana, India<br>**Email:** tarunjain@bdo.in<br>**Tel:** +91 40 4852 4966<br>**Peer review certificate number:** 015832<br>**Firm registration number:** 001595S/ S000168 | May 24, 2024 | Appointment as joint auditors of our Company, along with C Venkat Krishna & Co., by members of the Company vide extra ordinary general meeting dated May 24, 2024 for a period of five years with effect from April 1, 2024.<br>. |

**Bankers to our Company**

**State Bank of India**
Commercial Branch
Bhagyodaya Building
Patny centre
Opp. CMR shopping mall
Secunderabad 500 003
**Tel:** +91 40 2788 3132
**E-mail:** sbi.20828@sbi.co.in
**Contact person:** Papasaheb Siraj Basha

**ICICI Bank Limited**
MSG, 4th Floor, North Wing
Tower - II, Plot No. 12
Gachibowli
Serilingampally 500 032
Hyderabad, India
**Tel:** +91 63099 55950
**E-mail:** vijaya.manthena@icicibank.com
**Contact person:** Vijaya Kumar Manthena

**HDFC Bank Limited**
HDFC Bank House
Senapati Bapat Marg
Lower Parel (West) 400 013
Mumbai, Maharashtra, India
**Tel:** +91 22 1800 1600
**E-mail:** praneeth.movva1@hdfcbank.com
**Contact person:** Praneeth Movva

**Yes Bank Limited**
Yes Bank House
Off Western Express Highway
Santacruz (East) 400 055
Mumbai, Maharashtra, India
**Tel:** +91 90002 44007
**E-mail:** gunimini.pavankumar@yesbank.in
**Contact person:** Gunimini Pavan Kumar Reddy

**Designated Intermediaries**

**Self-Certified Syndicate Banks**

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

**Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism**

In accordance with the SEBI ICDR Master Circular, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications is also available on www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

**Syndicate Self-Certified Syndicate Banks Branches**

In relation to Bids (other than Bids by Anchor Investors and RIIs) 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 (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 can submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, 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 www.bseindia.com and www.nseindia.com, as updated from time to time.

**Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms 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 www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products-services/initial-public-offerings-asba-procedures respectively, 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 their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

**Grading of the Offer**

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

**Monitoring Agency**

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations, for monitoring of the utilisation of the Proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the proceeds from the Fresh Issue, please see "***Objects of the Offer***" on page 112.

**Experts**

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

Our Company has received written consent dated March 27, 2025 from C. Venkat Krishna & Co., Chartered Accountants and M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants, our Joint Statutory Auditors, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditor, and in respect of their (i) examination report dated March 17, 2025 relating to the Restated Financial Information and (ii) the statement of special tax benefits dated March 27, 2025 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated March 27, 2025 from C. Venkat Krishna & Co., Chartered Accountants to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act with respect to various certificates issued by them in their capacity as one of the Joint Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated March 27, 2025, from the independent chartered engineer, namely A Ajay Reddy, to include their name 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 a chartered engineer, in relation to their certificate dated March 27, 2025. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated March 27, 2025, from Stratalign Advisors Private Limited,to include their name in this Draft Red Herring Prospectus and be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the detailed project report in connection with the Project 1 and Project 2 and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated March 27, 2025 from Chava & Associates, Practicing Company Secretary, to include their name as an independent practicing company secretary under Section 26 of the Companies Act in this Draft Red Herring Prospectus and be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated March 27, 2025 and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus.

**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 for the Offer.

**Debenture Trustees**

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

**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 Bidder on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms, if any within the Price Band which will be decided by our Company, in consultation with the BRLMs and minimum Bid lot which will be decided by our Company, in consultation with the BRLMs and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Telugu daily newspaper, Telugu also being the regional language of Telangana, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date. For further details, see "***Offer Procedure***" on page 417.

**All Investors (other than Anchor Investors) shall participate in the Offer mandatorily through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Bidders, by using 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 Investors 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. Retail Individual Investors 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 revise and withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors, Non-Institutional Investors 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 and allocation to the Non-Institutional Investors will be in a manner as prescribed under the SEBI ICDR Regulation.** For further details on the Book Building Process and the method and process of Bidding, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 406, 413 and 417, respectively.

**The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, within two Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For an illustration of the Book Building Process, price discovery process and allocation, see "***Offer Procedure***" on page 417.

**Underwriting Agreement**

After the determination of the Offer Price but prior to filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholder will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

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

| Name, address, telephone number and e-mail address of the Underwriters | Indicative number of Equity Shares of face value of ₹5 each to be Underwritten | Amount underwritten (₹ in million) |
|---|---|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |

The abovementioned amounts are provided for indicative purposes only and will be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations. Based on representations made by the Underwriters, our Board of Directors are of the opinion that the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them 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)*

| S. No. | Particulars | Aggregate nominal value | Aggregate value at Offer Price* |
|---|---|---|---|
| **A)** | **AUTHORISED SHARE CAPITAL**(1) | | |
| | 70,000,000 Equity Shares of face value of ₹5 each | 350,000,000 | - |
| **B)** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER** | | |
| | 40,000,000 Equity Shares of face value of ₹5 each | 200,000,000 | - |
| **C)** | **PRESENT OFFER**(2)(3)(4) | | |
| | Offer of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,800.00 million(2) | [●] | [●] |
| | *Of which:* | | |
| | Fresh Issue of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹5,000.00 million(2) | [●] | [●] |
| | Offer for Sale of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million(2)(3) | [●] | [●] |
| **D)** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER** | | |
| | [●] Equity Shares of face value of ₹5 each* | [●] | - |
| **E)** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer (*as on date of this Draft Red Herring Prospectus*) | | 240,000,000 |
| | After the Offer* | | [●] |

* *To be included upon finalisation of the Offer Price and 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 256.*

(2) *Our Board has authorised the Offer, pursuant to their resolution dated February 28, 2025 and our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated March 10, 2025.*

(3) *Our Board has taken on record the consent and authorisation of the Promoter Selling Shareholder to participate in the Offer for Sale pursuant to its resolution dated March 27, 2025. The Equity Shares being offered by the Promoter Selling Shareholder has been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus or are otherwise eligible for being offered for sale pursuant to the Offer in accordance with the SEBI ICDR Regulations. In accordance with Regulation 8A of the SEBI ICDR Regulations, Offer for Sale by the Promoter Selling Shareholder, as a shareholder holding more than 20.00% of pre-issue shareholding of the Company, shall not exceed more than 50% of their pre-issue shareholding in our Company. For details of authorisations for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures - Authority for the Offer**" on page 393.*

(4) *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

**Notes to capital structure**

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

The following table sets forth the history of the equity share capital of our Company:

| Date of allotment | Nature of allotment | Name of the allottee(s) | | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Cumulative number of equity shares |
|---|---|---|---|---|---|---|---|---|
| July 20, 2020 | Initial subscription to the Memorandum of Association[1] | **Name of the allottee** | **Number of equity shares allotted** | 9,000,000 | 10 | 10 | -[2] | 9,000,000 |
| | | Chandra Sekhar Moturu | 8,100,000 | | | | | |
| | | Ragdeep Moturu | 900,000 | | | | | |
| December 24, 2022 | Rights issue as on the record date i.e. December 14, 2022 | **Name of the allottee** | **Number of equity shares allotted** | 10,000,000 | 10 | 10 | Cash | 19,000,000 |
| | | Chandra Sekhar Moturu | 9,000,000 | | | | | |
| | | Ragdeep Moturu | 1,000,000 | | | | | |
| March 28, 2024 | Rights issue as on the record date i.e. March 22, 2024 | **Name of the allottee** | **Number of equity shares allotted** | 1,000,000 | 10 | 250 | Cash | 20,000,000 |
| | | Chandra Sekhar Moturu | 900,000 | | | | | |
| | | Ragdeep Moturu | 100,000 | | | | | |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each. | | | | | | | | |

(1) *Our Company was incorporated on July 20, 2020 and the date of subscription to the Memorandum of Association was July 13, 2020.*

(2) *Initial subscription to MoA, pursuant to conversion of partnership firm 'Ardee Engineering Company' into our Company under Part I (Chapter XXI) of Companies Act, 2013. The capital account of the partnership firm aggregating to ₹90.00 million was adjusted into the equity share capital of our Company.*

Our Company is in compliance with the Companies Act, 2013, including Sections 25, 28, 42 and 62 thereof and the rules made thereunder, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus.

***Secondary Transaction***

The following table sets forth the details of secondary transactions of equity shares of our Company:

| Date of transfer | Name of transferor | Name of transferee: Name of the transferee | Name of transferee: Number of equity shares transferred | Total number of equity shares transferred | Face value per equity share (₹) | Transfer price per equity share (₹) | Nature of transaction |
|---|---|---|---|---|---|---|---|
| March 28, 2024 | Chandra Sekhar Moturu | Arundeep Moturu | 10 | 50 | 10 | 250 | Transfer of 10 equity shares each to Arundeep Moturu, Krishna Kumari Moturu, Sailaja Moturu, Lakshmi Vasireddi and Ramesh Doddapaneni by Chandra Sekhar Moturu |
| | | Krishna Kumari Moturu | 10 | | | | |
| | | Sailaja Moturu | 10 | | | | |
| | | Lakshmi Vasireddi | 10 | | | | |
| | | Ramesh Doddapaneni | 10 | | | | |

**Preference share capital history of our Company**

Our Company has no outstanding preference shares as on the date of the filing of this Draft Red Herring Prospectus.

2. **Equity shares issued for consideration other than cash or by way of bonus issue**

Our Company has not issued any equity shares for consideration other than cash or through bonus issue at any time since its incorporation.

3. **Shares issued out of revaluation reserves**

Our Company has not issued any shares out of revaluation reserves since its incorporation.

4. **Allotment of shares pursuant to schemes of arrangement**

Our Company has not issued or allotted any shares pursuant to schemes of arrangement approved under Sections 230-234 of the Companies Act, 2013.

5. **Issue of Equity Shares at a price lower than the Offer Price in the last one year**

Except as stated below, our Company has not issued any equity shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus:

| Date of allotment | Number of equity shares allotted | Details of the allottees: Name of allottee | Details of the allottees: No. of Equity Shares | Details of the allottees: Whether allottees are part of the Promoter Group | Face value (*in ₹*) | Issue price per equity share (*in ₹*) | Reason for allotment |
|---|---|---|---|---|---|---|---|
| March 28, 2024 | 1,000,000 | Chandra Sekhar Moturu | 900,000 | Yes | 10 | 250 | Rights issue as on the record date i.e. March 22, 2024 |
| | | Ragdeep Moturu | 100,000 | Yes | | | |

6. **Issue of equity shares under employee stock option schemes**

As on the date of this Draft Red Herring Prospectus, our Company does not have an employee stock option scheme.

7. **History of the share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 39,999,940 Equity Shares, which constitute 99.99% of the issued, subscribed and paid-up equity share capital of our Company. All the Equity Shares held by our Promoters are in dematerialised form.

a) ***Build-up of Promoters' shareholding in our Company***

Set forth below is the build-up of our Promoters' equity shareholding since the incorporation of our Company.

| Date of transfer | Nature of transaction | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer per equity share (₹) | Nature of consideration | Percentage of pre-Offer equity share capital (%) | Percentage of the post-Offer equity share capital[1] (%) |
|---|---|---|---|---|---|---|---|
| ***Chandra Sekhar Moturu**** | | | | | | | |
| July 20, 2020 | Initial subscription to the Memorandum of Association | 8,100,000 | 10 | 10 | -[2] | 40.50 | [●] |
| December 24, 2022 | Rights issue as on the record date i.e. December 14, 2022 | 9,000,000 | 10 | 10 | Cash | 45.00 | [●] |
| March 28, 2024 | Transfer of 10 equity shares each to Arundeep Moturu, Krishna Kumari Moturu, Sailaja Moturu, Lakshmi Vasireddi and Ramesh Doddapaneni | (50) | 10 | 250 | Cash | Negligible | [●] |
| March 28, 2024 | Rights issue as on the record date i.e. March 22, 2024 | 900,000 | 10 | 250 | Cash | 4.50 | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, 17,999,950 paid-up equity shares of face value of ₹10 each held by Chandra Sekhar Moturu were sub-divided into 35,999,900 Equity Shares of face value of ₹5 each | | | | | | | |
| **Total (A)** | | **35,999,900** | | | | **89.99** | **[●]** |
| ***Ragdeep Moturu*** | | | | | | | |
| July 20, 2020 | Initial subscription to the Memorandum of Association | 900,000 | 10 | 10 | -[2] | 4.50 | [●] |
| December 24, 2022 | Rights issue as on the record date i.e. December 14, 2022 | 1,000,000 | 10 | 10 | Cash | 5.00 | [●] |
| March 28, 2024 | Rights issue as on the record date i.e. March 22, 2024 | 100,000 | 10 | 250 | Cash | 0.50 | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, | | | | | | | |

| Date of transfer | Nature of transaction | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer per equity share (₹) | Nature of consideration | Percentage of pre-Offer equity share capital (%) | Percentage of the post-Offer equity share capital[(1)] (%) |
|---|---|---|---|---|---|---|---|
| 2,000,000 paid-up equity shares of face value of ₹10 each held by Ragdeep Moturu were sub-divided into 4,000,000 Equity Shares of face value of ₹5 each | | | | | | | |
| **Total (B)** | | **4,000,000** | | | | **10.00** | **[●]** |
| ***Arundeep Moturu*** | | | | | | | |
| March 28, 2024 | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | 10 | 250 | Cash | Negligible | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, 10 paid-up equity shares of face value of ₹10 each held by Arundeep Moturu were sub-divided into 20 Equity Shares of face value of ₹5 each | | | | | | | |
| **Total (C)** | | **20** | | | | **Negligible** | **[●]** |
| ***Krishna Kumari Moturu*** | | | | | | | |
| March 28, 2024 | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | 10 | 250 | Cash | Negligible | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, 10 paid-up equity shares of face value of ₹10 each held by Krishna Kumari Moturu were sub-divided into 20 Equity Shares of face value of ₹5 each | | | | | | | |
| **Total (D)** | | **20** | | | | **Negligible** | **[●]** |
| **Grand Total (A+B+C+D)** | | **39,999,940** | | | | **99.99** | **[●]** |

** Also, the Promoter Selling Shareholder.*

*(1) To be updated in the Prospectus to be filed with the RoC.*

*(2) Initial subscription to MoA, pursuant to conversion of partnership firm 'Ardee Engineering Company' into our Company under Part I (Chapter XXI) of Companies Act, 2013. The capital account of the partnership firm aggregating to ₹90 million was adjusted into the equity share capital of the Company.*

b) ***Build-up of Promoter Group shareholding in our Company***

Set forth below is the build-up of equity shareholding of the relevant members of the Promoter Group (that are shareholders in the Company) since the incorporation of our Company:

| Date of allotment / transfer | Nature of transaction | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition / transfer per equity share (₹) | Nature of consideration | Percentage of pre-Offer equity share capital (%) | Percentage of the post-Offer equity share capital[(1)] (%) |
|---|---|---|---|---|---|---|---|
| ***Sailaja Moturu*** | | | | | | | |
| March 28, 2024 | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | 10 | 250 | Cash | Negligible | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, 10 paid-up equity shares of face value of ₹10 each held by Sailaja Moturu were sub-divided into 20 Equity Shares of face value of ₹5 each | | | | | | | |
| **Total (A)** | | **20** | | | | **Negligible** | **[●]** |
| ***Lakshmi Vasireddi*** | | | | | | | |
| March 28, 2024 | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | 10 | 250 | Cash | Negligible | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, 10 paid-up equity shares of face value of ₹10 each held by Lakshmi Vasireddi were sub-divided into 20 Equity Shares of face value of ₹5 each | | | | | | | |

| Date of allotment / transfer | Nature of transaction | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition / transfer per equity share (₹) | Nature of consideration | Percentage of pre-Offer equity share capital (%) | Percentage of the post-Offer equity share capital[1] (%) |
|---|---|---|---|---|---|---|---|
| **Total (B)** | | **20** | | | | **Negligible** | **[●]** |
| ***Ramesh Doddapaneni*** | | | | | | | |
| March 28, 2024 | 10 equity shares were transferred by Chandra Sekhar Moturu | 10 | 10 | 250 | Cash | Negligible | [●] |
| Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, 10 paid-up equity shares of face value of ₹10 each held by Ramesh Doddapaneni were sub-divided into 20 Equity Shares of face value of ₹5 each | | | | | | | |
| **Total (C)** | | **20** | | | | **Negligible** | **[●]** |
| **Grand Total (A+B+C)** | | **60** | | | | **Negligible** | **[●]** |

(1) *Subject to finalisation of Basis of Allotment.*

c) Our Company has no outstanding preference shares as on the date of the Draft Red Herring Prospectus.

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

e) As of the date of this Draft Red Herring Prospectus, 10,400,000 Equity Shares constituting 26.00% of the paid-up Equity Share Capital of our Company, held by our Promoter Selling Shareholder are pledged with Aditya Birla Finance Limited.

8. **Shareholding of our Promoters and members of our Promoter Group**

The shareholding of our Promoters and members of Promoter Group is set forth below, as on the date of this Draft Red Herring Prospectus:

| Name of Shareholder | Pre-Offer | | Post-Offer | |
|---|---|---|---|---|
| | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer equity share capital (%) | Number of Equity Shares of face value of ₹5 each | Percentage of post-Offer equity share capital (%)[1] |
| ***a. Promoters*** | | | | |
| Chandra Sekhar Moturu | 35,999,900 | 89.99 | [●] | [●] |
| Ragdeep Moturu | 4,000,000 | 10.00 | [●] | [●] |
| Arundeep Moturu | 20 | Negligible | [●] | [●] |
| Krishna Kumari Moturu | 20 | Negligible | [●] | [●] |
| ***b. Members of the Promoter Group*** | | | | |
| Sailaja Moturu | 20 | Negligible | [●] | [●] |
| Lakshmi Vasireddi | 20 | Negligible | [●] | [●] |
| Ramesh Doddapaneni | 20 | Negligible | [●] | [●] |
| **Total** | **40,000,000** | **100.00** | **[●]** | **[●]** |

(1) *To be updated in the Prospectus to be filed with the RoC.*

9. **Details of minimum Promoters' Contribution locked in for three years**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years or any other period as may be prescribed under applicable law, from the date of Allotment ("**Promoters' Contribution**").

The details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoter's contribution for a period of three years, from the date of Allotment as Promoters' Contribution are as provided below:

| Name of the Promoter | Number of Equity Shares held# | Number of Equity Shares locked-in* | Date of allotment/ transfer of equity shares # | Face value per equity share (₹) | Issue / Acquisition price per equity share (₹) | Nature of transaction | % of the post-Offer paid-up Capital | Date up to which Equity Shares are subject to lock-in |
|---|---|---|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total** | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

*Note: To be updated at the Prospectus stage.*

\# *Equity Shares were fully paid-up on the date of acquisition of such Equity Shares.*

* *Subject to finalisation of Basis of Allotment.*

Our Promoters have given consent to include such number of Equity Shares held by them, as may constitute 20% of the post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of 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.

Our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment. As on the date of this Draft Red Herring Prospectus, our Promoters hold in the aggregate 39,999,940 Equity Shares of face value of ₹5 each, which constitutes 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company.

The Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see " ***— Build-up of Promoters' Shareholding in our Company***" on page 103. In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

(ii) The Promoter's Contribution does not include any Equity Shares acquired during the one year preceding 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;

(iii) Our Company has been formed by conversion of a partnership firm in the year 2020. No Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to such conversion; and

(iv) As on the date of this Draft Red Herring Prospectus, the Equity Shares forming part of the Promoters' Contribution are not subject to any pledge with any creditor or any other encumbrance.

10. **Details of share capital locked-in for six months**

Pursuant to Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked in for a period of six months from the date of Allotment, except for (a) the Equity Shares successfully transferred as a part of the Offer for Sale; and (b) Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor. As on the date of this Draft Red Herring Prospectus, our Company does not have Shareholders that are venture capital funds or alternative investment funds of category I or category II or a foreign venture capital investor.

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.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, (a) the Equity Shares held by the Promoters, which are locked-in may be transferred to another promoter and among the members of the Promoter Group or to any new promoters of our Company, and (b) the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations; and

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in, as the case may be from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. However, the relevant lock-in period shall continue pursuant to 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.

Additionally, in accordance with Regulation 8A of the SEBI ICDR Regulations, as the Offer is in compliance with Regulation 6(2), any shareholder(s) holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of our Company provisions of lock-in as specified under Regulation 17 of the SEBI ICDR Regulations shall be applicable. Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

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

50% 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 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

12. **Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, the members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.**

None of our Promoters, members of our Promoter Group, our Directors or their relatives have sold or purchased any Equity Shares of our Company during the six months preceding the date of this Draft Red Herring Prospectus.

## 13. Our shareholding pattern

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

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+(VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | Number of Equity 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 Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII)^ | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of voting rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: Others | Total | | | | | | | | |
| (A) | Promoters and Promoter Group | 7 | 40,000,000 | - | - | 40,000,000 | 100.00 | 40,000,000 | - | 40,000,000 | 100.00 | - | - | - | - | 10,400,000 | 26.00 | 40,000,000 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non-Promoter Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying depository receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total** | **7** | **40,000,000** | **-** | **-** | **40,000,000** | **100.00** | **40,000,000** | **-** | **40,000,000** | **100.00** | **-** | **-** | **-** | **-** | **10,400,000** | **26.00** | **40,000,000** |

*^As of the date of this Draft Red Herring Prospectus, 10,400,000 Equity Shares held by our Promoter Selling Shareholder are pledged with Aditya Birla Finance Limited.*

14. **Shareholding of our Directors, Key Managerial Personnel and members of Senior Management in our Company**

Except as stated below, none of our Directors, Key Managerial Personnel or members of our Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

| Name | Designation | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer share capital (%) | Percentage of post-Offer share capital (%) |
|---|---|---|---|---|
| Chandra Sekhar Moturu | Chairman and Managing Director | 35,999,900 | 89.99 | [●] |
| Ragdeep Moturu | Whole Time Director | 4,000,000 | 10.00 | [●] |
| Arundeep Moturu | Executive Director | 20 | Negligible | [●] |
| Krishna Kumari Moturu | Executive Director and Chief Financial Officer | 20 | Negligible | [●] |
| **Total** | | **39,999,940** | **99.99** | [●] |

15. **Details of shareholding of the major shareholders of our Company**

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

(b) Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer share capital (%) |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | 35,999,900 | 89.99 |
| 2. | Ragdeep Moturu | 4,000,000 | 10.00 |
| | **Total** | **39,999,900** | **99.99** |

(c) Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares of face value of ₹5 each | Percentage of pre-Offer share capital (%) |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | 35,999,900 | 89.99 |
| 2. | Ragdeep Moturu | 4,000,000 | 10.00 |
| | **Total** | **39,999,900** | **99.99** |

(d) Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares of face value of ₹10 each* | Percentage of pre-Offer share capital (%) |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | 17,100,000 | 90.00 |
| 2. | Ragdeep Moturu | 1,900,000 | 10.00 |
| | **Total** | **19,000,000** | **100.00** |

* *Pursuant to a sub-division of equity shares with effect from January 28, 2025, our Company has sub-divided the equity shares of ₹10 each to Equity Shares of ₹5 each. The table above does not reflect the effect of such sub-division*

(e) Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of equity shares of face value of ₹10 each* | Percentage of pre-Offer share capital (%) |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | 17,100,000 | 90.00 |
| 2. | Ragdeep Moturu | 1,900,000 | 10.00 |
| | **Total** | **19,000,000** | **100.00** |

* *Pursuant to a sub-division of equity shares with effect from January 28, 2025, our Company has sub-divided the equity shares of ₹10 each to Equity Shares of ₹5 each. The table above does not reflect the effect of such sub-division*

16. **Employee stock options scheme or employee stock appreciation rights of our Company**

    As on the date of this Draft Red Herring Prospectus, our Company does not have an employee stock options scheme or stock appreciation rights.

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

18. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares being offered through the Offer.

19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

20. None of the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The Book Running Lead Managers and its associates may engage in the transactions with and perform services for our Company and/ or of the Promoter Selling Shareholder in the ordinary course of business or may in the future engage in investment banking transactions with our Company for which they may in the future receive customary compensation.

21. 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 of our Company, as on the date of this Draft Red Herring Prospectus.

22. None of the existing Shareholders of our Company are indirectly/directly related to any of the BRLMs, and/or their respective associates as defined under SEBI Merchant Bankers Regulations.

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

24. Except for the allotment of Equity Shares pursuant to the Fresh Issue and the Pre-IPO Placement, if any, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

25. Except for the Equity Shares to be allotted pursuant to the Fresh Issue, there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

26. The BRLMs, and any person related to the BRLMs or the Syndicate Members, cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or an FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs.

27. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

28. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

29. Any pre-IPO placement shall be reported to the Stock Exchanges within 24 hours of such pre-IPO transactions (in part or in entirety).

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares of face value of ₹5 each, aggregating up to ₹5,000.00 million by our Company and an Offer for Sale of up to [●] Equity Shares of face value of ₹5 each aggregating to up to ₹800.00 million by the Promoter Selling Shareholder, subject to finalization of Basis of Allotment. For details, see "***Summary of the Offer Document***" and "***The Offer***" on pages 21 and 83, respectively.

### Offer for Sale

The Promoter Selling Shareholder will be entitled to his portion of the proceeds of the Offer for Sale in proportion of the Equity Shares offered by him after deducting his proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see "***Other Regulatory and Statutory Disclosures***" on page 393.

### Objects of the Fresh Issue

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

a. funding the capital expenditure requirements of our Company towards setting up two new manufacturing facilities at Seetharampur, Telangana ("**Project 1**");

b. funding the capital expenditure requirements of our Company towards setting up a new integrated manufacturing facility at Parawada, Andhra Pradesh ("**Project 2**");

c. prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by our Company; and

d. general corporate purposes.

In addition, we intend to achieve the benefit of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to (i) to undertake our existing business activities; and (ii) to undertake the proposed activities for which funds are being raised by us pursuant to the Fresh Issue.

### Utilization of Net Proceeds

The Net Proceeds are proposed to be utilized by our Company as follows:

| Sr. No. | Particulars | Estimated amount (₹ in million)[1] |
|---|---|---|
| 1. | Funding the capital expenditure requirements of our Company towards setting up two new manufacturing facilities at Seetharampur, Telangana ("**Project 1**") | 2,796.30 |
| 2. | Funding the capital expenditure requirements of our Company towards setting up a new integrated manufacturing facility at Parawada, Andhra Pradesh ("**Project 2**") | 448.43 |
| 3. | Prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by our Company | 650.00 |
| 4. | General corporate purposes[2] [3] | [●] |
| 5. | **Total**[1] | [●] |

*(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement for an amount of up to ₹1,000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects prior to completion of the Offer. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the*

*Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

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

(3) *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

**Net Proceeds**

After deducting the Offer related expenses from the Gross Proceeds of the Fresh Issue, we estimate the Net Proceeds to be ₹[●] million. The details of the Net Proceeds of the Offer are summarized in the table below:

| Sr. No. | Particulars | Estimated amount (₹ in million) |
|---|---|---|
| 1. | Gross Proceeds from the Fresh Issue(2) | 5,000.00 |
| 2. | Less: Offer related expenses in relation to the Fresh Issue to be borne by our Company (3) | [●] |
| | Net Proceeds (1) | [●] |

(1) *To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

(2) *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

(3) *See "–* ***Offer related expenses****" on page 135.*

**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)*

| Sr. No. | Particulars | Total estimated amount (A) | Amount deployed as on March 21, 2025 | Estimated amount to be funded from the Net Proceeds(3) | Estimated deployment of the Net Proceeds in Fiscals | |
|---|---|---|---|---|---|---|
| | | | | | 2026 | 2027 |
| 1. | Funding the capital expenditure requirements of our Company towards setting up two new manufacturing facilities a Seetharampur, Telangana("**Project 1**") (1) (2) | 2,796.30 | Nil | 2,796.30 | 559.26 | 2,237.04 |
| 2. | Funding the capital expenditure requirements of our Company towards setting up a new integrated manufacturing facility at Parawada, Andhra Pradesh ("**Project 2**") (1) (2) | 448.43 | Nil | 448.43 | 89.69 | 358.74 |
| 3. | Prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by our Company | 650.00 | - | 650.00 | 650.00 | - |
| 4. | General corporate purposes(4)(5) | [●] | - | [●] | [●] | [●] |
| | **Total**(4)(5) | [●] | - | [●] | [●] | **[●]** |

(1) *Includes applicable taxes, to the extent GST input tax credit cannot be claimed by our Company.*

(2) *Total estimated cost based on the Project Report (as defined below).*

(3) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,000.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from*

*the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects prior to completion of the Offer. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

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

*(5) The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The fund requirement, the deployment of funds and the intended use of the Net Proceeds as described above are based on our current business plan, management estimates, market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, estimated costs basis valid quotations obtained from various third-party vendors and the project report dated March 27, 2025 issued by Stratalign Advisors Private Limited. (the "**Project Report**") 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 schedule on account of variety of factors such as our financial and market condition, business and strategy, variation in cost estimates, availability of raw material, machinery, equipment and suitable workforce and other external factors such as changes in the business environment and interest or exchange rate fluctuations, changes in technology, 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, subject to compliance with applicable laws. For further details, see " - ***We propose to utilise a portion of the Net Proceeds of the Offer towards capital expenditure, including towards capacity expansion by setting up of new manufacturing units which could be subject to delays, cost overruns, and other risks and uncertainties.***" on page 44.

In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met due to factors such as: (i) economic and business conditions; (ii) delay in procuring and operationalizing assets or necessary licenses and approvals; or (iii) any other commercial considerations, such unutilized portion of the Net Proceeds shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Further, due to various factors including considerations as set out above, we may decide or have to utilize portion of the Net Proceeds allocated for the subsequent year in the previous year. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

In case of any surplus after utilization of the Net Proceeds towards the aforementioned capital expenditure requirements, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with applicable law. Further, in case of any variations in the actual utilisation of funds earmarked towards funding of our proposed Objects as set forth above, then any increased fund requirements for a particular object may be financed by surplus funds, if any, available in respect of the other objects for which funds are being raised in this Offer, subject to utilisation towards general corporate purposes not exceeding 25% of the Gross Proceeds from the Fresh Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned Objects, we may explore a range of options including utilising our internal accruals, additional equity funding and /or seeking additional debt from existing and future lenders.

**Means of finance**

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards (i) funding capital expenditure requirements of our Company towards setting up two new manufacturing facilities at Seetharampur, Telangana ("**Project 1**"), (ii) funding capital expenditure requirements of our Company towards setting up a new integrated manufacturing facility in Parawada, Andhra Pradesh ("**Project 2**"); (iii) prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by our Company; and (iv) general corporate purposes. The Objects are proposed to be funded entirely from the Net Proceeds of the Fresh Issue. Accordingly, we confirm that Regulation 7(1)e read with paragraph 9(C)(1) of the SEBI ICDR Regulations is not applicable and there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds to be raised through the Fresh Issue.

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

1. ***Funding the capital expenditure requirements of our Company towards setting up two new manufacturing facilities at Seetharampur, Telangana ("Project 1")***

As on the date of this Draft Red Herring Prospectus, we manufacture our products in-house at our five manufacturing units located in Andhra Pradesh and Telangana, India. Our manufacturing units are vertically integrated, enabling us to engage comprehensively in the entire product lifecycle which includes designing, engineering, and manufacturing our products with an aggregate installed capacity of 44,144 MTPA as on Fiscal 2024.

In order to expand our manufacturing capacity across both PEB and MHS segments, we intend to set up two manufacturing facilities ("**PEB Manufacturing Facility**" and "**Material Handling Facility**") in Plot No. P6, P3, P7, P9, Seetharampur, Shabad Mandal, Ranga Reddy District, Telangana. We intend to enhance our capacity to capitalise on the growth of the PEB market, which is projected to grow at a CAGR of 13% from FY 2024 to FY 2029, with the highest growth anticipated in warehouses, cold storage, and data centers. *(Source: CARE Report)* Further, material handling systems are used in various industries and settings to efficiently process, move, store, control, and protect materials and products throughout the manufacturing, warehousing, and distribution processes. *(Source: CARE Report)*

For details of benefits related to setting up of the Project 1, see "***Our Business – Expand our geographical footprint to strategic Indian markets***" on page 232 and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Expansion of our manufacturing capabilities and capacity utilization***" on page 350.

Our PEB Manufacturing Facility and Material Handling Facility are proposed to be established on industrial land located in Seetharampur, Shabad Mandal, Ranga Reddy District, Telangana, admeasuring approximately 164,308.20 square metres, which was allotted to us by the Telangana State Industrial Infrastructure Corporation Limited ("**TSIICL**"). The land was acquired by us pursuant to the agreement of sale dated March 11, 2025 entered between TSIICL and our Company and the total consideration for this acquisition amounted to ₹624.09 million including registration fees. The same has already been paid by our Company to the TSIICL. Our Board in its meeting held on March 27, 2025, approved an amount of ₹2,990.51 million (including GST) for the purpose of funding the proposed capital expenditure for Project 1 from the Net Proceeds.

*Total estimated cost of the Project 1*

In order to set up the Project 1, we would incur costs towards, land development and civil building works, PEB building, purchase of plant and machinery and other related ancillary equipment, utilities, IT infrastructure and miscellaneous costs. The total estimated cost to establish the Project 1 is ₹2,990.51 million (including GST), as estimated by our management, which has been certified by Stratalign Advisors Private Limited, Hyderabad, Telangana, an independent advisory firm of engineers, pursuant to a report dated March 27, 2025 ("**Project Report**").

Further, out of the total estimated cost above, the total cost that our Company will incur (excluding GST input tax credit which can be claimed) amounts to ₹2,796.30 million. Of this total estimated cost (excluding GST input tax credit which can be claimed) we intend to utilise ₹2,796.30 million from the Net Proceeds.

The detailed break-down of estimated cost of the Project 1 is set forth below:

| Particulars | Estimated cost for PEB Manufacturing Facility (*₹ in million*)(1) | Estimated cost for Material Handling Facility (*₹ in million*) (#) | Total estimated cost for Project 1 (*₹ in million*) (#) |
|---|---|---|---|
| Land development and civil building works(1) | 504.30 | 112.64 | 616.94 |
| Pre-Engineered Buildings (1) | 718.57 | 347.66 | 1,066.23 |
| Plant and machinery(2) | 308.03 | 323.95 | 631.98 |
| Utilities(2) | 404.89 | | 404.89 |
| Miscellaneous(2) | 76.26 | | 76.26 |
| **Total Cost** | | | **2,796.30** |

*# While calculating the total estimated cost in the table above, our Company has not considered GST component for the above cost on which GST input tax credit can be claimed by our Company. Estimated cost for Project 1 according to the Project Report is ₹2,990.51 million inclusive of GST.*

*(1) Inclusive of GST, since input tax credit cannot be claimed.*

*(2) Exclusive of GST, since input tax credit can be claimed.*

The applicable taxes for the Project 1 are certified by C. Venkat Krishna & Co., Chartered Accountants by a certificate dated March 27, 2025.

***Detailed break-down of the cost of the Project 1***

A further break-up of the specific estimated costs towards establishing the Project 1 is set forth below:

*a) Land development and civil building works:*

The total estimated cost for land development, and civil building works for the proposed Project 1 is ₹616.94 million, inclusive of taxes, as applicable, as per the Project Report, and we have obtained quotations which are valid for six months from the date of the quotation, for the entire amount from RVR Projects Private Limited, the details of which have been set out below. We propose to utilise an amount of ₹616.94 out of the Net Proceeds, towards such land development and civil building works.

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) (1) | Date of quotation |
|---|---|---|---|---|
| ***PEB Manufacturing Facility*** | | | | |
| 1. | Earthwork and excavation | 97,453.02 cubic meters | 16.25 | February 4, 2025 |
| 2. | Backfilling | 88,073.40 cubic meters | 10.58 | |
| 3. | Anti-termite treatment | 73,575.25 square meters | 6.08 | |
| 4. | Plain cement concrete | 783.22 cubic meters | 3.42 | |
| 5. | Reinforced cement concrete works | 8,133.89 cubic meters | 49.39 | |
| 6. | Thermo-mechanically treated (TMT) bars | 464.47 metric tons | 40.83 | |
| 7. | Shuttering | 26,710.84 square meters | 15.13 | |
| 8. | Cement sand reinforced (CSR) masonry work | 1,228.74 cubic meters | 7.54 | |
| 9. | Block work | 1,046.57 cubic meters | 6.92 | |
| 10. | Plastering | 14,367.20 square meters | 7.82 | |
| 11. | Painting | 11,474.66 square meters | 4.68 | |
| 12. | Flooring | 71,946.25 square meters | 200.34 | |
| 13. | Doors and windows | 1,190.10 square meters | 14.78 | |
| 14. | Drains | 2,330.00 running meters | 13.97 | |
| 15. | Compound wall | 147,200.00 running meters | 48.07 | |
| 16. | Road works | 32,671.26 square meters | 51.61 | |
| 17. | Parking | 15,605.00 square meters | 2.39 | |
| 18. | Greenery | 12,884.00 square meters | 1.14 | |
| 19. | Weighing bridge | 1.00 square meters | 3.36 | |
| | **Sub Total (A)** | | **504.30** | |
| ***Material Handling Facility*** | | | | |
| 1. | Earthwork and excavation | 5,874.36 cubic meters | 0.45 | February 4, 2025 |
| 2. | Backfilling | 3,465.43 cubic meters | 0.62 | |
| 3. | Anti-termite treatment | 21,422.25 square meters | 1.77 | |
| 4. | Reinforced cement concrete works | 1,246.06 cubic meters | 7.64 | |
| 5. | Plain cement concrete | 136.88 cubic meters | 0.61 | |
| 6. | Thermo-mechanically treated (TMT) bars | 59.80 metric tons | 5.68 | |
| 7. | Shuttering | 3,875.56 square meters | 2.20 | |
| 8. | Cement sand reinforced (CSR) masonry work | 245.52 cubic meters | 1.51 | |
| 9. | Block work | 490.50 cubic meters | 3.24 | |
| 10. | Plastering | 5,742.87 square meters | 3.18 | |
| 11. | Painting | 5,725.50 square meters | 2.50 | |
| 12. | Flooring | 21,422.25 square meters | 35.21 | |
| 13. | Doors and windows | 614.40 square meters | 7.88 | |
| 14. | Security cabin | 400.00 square meters | 6.14 | |
| 15. | Drains | 1,890.00 running meters | 6.60 | |
| 16. | Compound wall | 816.80 running meters | 8.63 | |
| 17. | Road works | 9,396.00 square meters | 14.26 | |
| 18. | Parking | 4,944.00 square meters | 0.76 | |

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) (1) | Date of quotation |
|---|---|---|---|---|
| 19. | Greenery | 4,490.00 square meters | 0.40 | |
| 20. | Weighing bridge | 1.00 square meter | 3.36 | |
| | **Sub Total (B)** | | **112.64** | |
| | **Total (A+B)** | | **616.94** | |

*(1) Total estimated cost as per the Project Report. The estimated cost is inclusive of GST, since input tax credit cannot be claimed.*

*b) Pre-engineered building Cost*

The total estimated cost for pre-engineered buildings for the proposed Project 1 is ₹1,066.23 million, inclusive of taxes, as applicable, as per the Project Report, and we have obtained quotations which are valid for six months from the date of the quotation, for the entire amount from RVR Projects Private Limited, the details of which have been set out below. We propose to utilise an amount of ₹1,066.23 million out of the Net Proceeds, towards pre-engineered buildings cost.

**PEB Manufacturing Facility**

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) (1) | Date Of Quotation |
|---|---|---|---|---|
| ***Structure*** | | | | |
| 1 | Anchor bolts | 9.80 metric tons | 0.89 | February 4, 2025 |
| 2 | Built-up structure (grade 50, 345 MPa) and hot rolled structure with shot blasting | 4,487.92 metric tons | 470.69 | |
| 3 | Secondary purlins (galvanized iron 275 GSM; 345 MPa) | 317.85 metric tons | 33.95 | |
| 4 | Roof sheeting 0.5 mm screw-down pre-painted galvanized steel | 77,700.00 square meters | 53.45 | |
| 5 | Wall sheeting 0.5 mm total coated thickness | 21,187.00 square meters | 14.57 | |
| 6 | Valley gutter | 1,238.00 running meters | 2.51 | |
| 7 | High-strength bolts and nuts | 134.95 metric tons | 22.38 | |
| 8 | Sheeted downspout | 3,420.00 running meters | 1.95 | |
| 9 | Deck sheet (0.8 mm thickness) including screws | 660.00 square meters | 0.78 | |
| 10 | Erection of the building | 5,438.82 metric tons | 109.21 | |
| | **Sub-total (A)** | | **710.38** | |
| ***Other Accessories*** | | | | |
| 11 | 160 mm polyvinyl chloride downspouts | 2,430 running meters | 1.48 | February 4, 2025 |
| 12 | Skylights | 3,795 square meters | 6.71 | |
| | **Sub Total (B)** | | **8.19** | |
| | **Total (A+B)** | | **718.57** | |

(1) *Total estimated cost as per the Project Report. The estimated cost is inclusive of GST, since input tax credit cannot be claimed.*

**Material Handling Facility:**

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) (1) | Date Of Quotation |
|---|---|---|---|---|
| ***Structure*** | | | | |
| 1 | Anchor bolts | 196.92 metric tons | 17.84 | February 4, 2025 |
| 2 | Built-up structure (grade 50, 345 MPa) and hot rolled structure with shot blasting | 2,229.32 metric tons | 233.81 | |
| 3 | Secondary purlins (galvanized iron 275 GSM; 345 MPa) | 163.96 metric tons | 17.51 | |

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) (1) | Date Of Quotation |
|---|---|---|---|---|
| 4 | Roof sheeting 0.5 mm screw-down pre-painted galvanized steel | 22,810.00 square meters | 15.75 | |
| 5 | Wall sheeting, Canopy Sheeting and Roof Monitor (0.5 mm total coated thickness) | 11,426.00 square meters | 7.89 | |
| 6 | Valley gutter | 2,652.00 running meters | 5.48 | |
| 7 | High-strength bolts and nuts (High tension bolts 7 nuts) | 61.69 metric tons | 10.23 | |
| 8 | Deck sheet (0.8 mm thickness) including screws | 432.00 square meters | 0.51 | |
| 9 | Erection of the building | 2,820.98 metric tons | 36.62 | |
| | **Sub-total (A)** | | **345.64** | |
| ***Other Accessories*** | | | | |
| 10 | Skylights | 1,141.80 square meters | 2.02 | February 4, 2025 |
| | **Sub-total (B)** | | **2.02** | |
| | **Total (A+B)** | | **347.66** | |

(1) *Total estimated cost as per the Project Report. The estimated cost is inclusive of GST, since input tax credit cannot be claimed.*

*c) Plant and machinery:*

The total estimated cost for procurement of plant and machinery for the Project 1 is ₹631.98 million, exclusive of taxes, as applicable, as per the Project Report. We propose to utilise an amount of ₹631.98 million out of the Net Proceeds, towards such procurement and installation of plant and machinery.

**PEB Manufacturing Facility**

The plant and machinery for the PEB Manufacturing Facility primarily includes plasma cutting, beam wielding, shearing, drilling equipment, milling machines among others. An indicative list of such plant and machinery that is intended to be purchased, along with details of the quotations received in this respect are set forth below, which has been included in the Project Report:

*Purchase of plant and machinery*

| Sr. No. | Description of the equipment | Quantity | Total cost (₹ in million)(1) | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|---|
| 1. | CNC cutting machine | 3 | 23.94# | March 18, 2025 | Messer Cutting Systems India Private Limited | Six months from the date of the quotation |
| 2. | Horizontal beam welding (automatic beam welder 2,000) | 2 | 22.39## | March 07, 2025 | Primo Automation Systems Private Limited | Six months from the date of the quotation |
| 3. | Horizontal beam welding (automatic beam welder 1,850) | 1 | 6.90 | March 07, 2025 | Primo Automation Systems Private Limited | Six months from the date of the quotation |
| 4. | Box beam welding | 1 | 8.90 | March 14, 2025 | VP Synergic Weld Solutions Private Limited | Six months from the date of the quotation |
| 5. | Press brake | 1 | 11.43 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |

| Sr. No. | Description of the equipment | Quantity | Total cost (₹ in million)[(1)] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|---|
| 6. | CNC drilling + turret punch (25mm) | 2 | 7.80^ | March 18, 2025 | Shandong Raintech SANS Technology Co., Ltd. | Six months from the date of the quotation |
| 7. | Radial drilling (85 mm) | 3 | 8.28 | March 19, 2025 | Ziptronics Machine Tools Private Limited | 180 days from the date of the quotation |
| 8. | Inline shot blasting with return conveyor | 1 | 19.90 | March 03, 2025 | Surface Preparation Solutions and Technologies Private Limited | Six months from the date of the quotation |
| 9. | Manual blasting room | 1 | 8.80 | March 03, 2025 | Surface Preparation Solutions and Technologies Private Limited | Six months from the date of the quotation |
| 10. | Hydraulic iron worker | 3 | 6.06 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 11. | Shearing machine (6.3m) | 2 | 12.72# | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 12. | Hydraulic straightner | 1 | 12.00 | March 18, 2025 | System Engineers Cutting and Welding Private Limited | Six months from the date of the quotation |
| 13. | End face milling machine | 1 | 4.10 | March 18, 2025 | System Engineers Cutting and Welding Private Limited | Six months from the date of the quotation |
| 14. | Downtake pipe forming machine | 1 | 4.88 | March 18, 2025 | System Engineers Cutting and Welding Private Limited | Six months from the date of the quotation |
| 15. | Sheeting machine with manual decoiler, hydraulic decoiler, film roller and manual pre cutter | 1 | 3.20 | March 18, 2025 | System Engineers Cutting and Welding Private Limited | Six months from the date of the quotation |
| 16. | CZ purlin machine | 1 | 5.80 | March 18, 2025 | System Engineers Cutting and Welding Private Limited | Six months from the date of the quotation |
| 17. | CNC folding machine | 1 | 4.95 | March 18, 2025 | System Engineers Cutting and Welding | Six months from the date of the quotation |

| Sr. No. | Description of the equipment | Quantity | Total cost (₹ in million)[(1)] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|---|
| | | | | | Private Limited | |
| 18. | Slitting machine | 1 | 0.53 | March 18, 2025 | System Engineers Cutting and Welding Private Limited | Six months from the date of the quotation |
| 19. | CNC combined beam drilling and bandsawing machine | 1 | 66.19^^ | March 10, 2025 | FICEP Tech India Private Limited | Six months from the date of the quotation |
| 20. | Framecadd F325iT | 1 | 19.28^ | March 20, 2025 | FRAMECAD (Asia) Limited | 90 days from the date of the quotation |
| 21. | Framecadd F450iT | 1 | 22.41^ | March 20, 2025 | FRAMECAD (Asia) Limited | 90 days from the date of the quotation |
| 22. | Cummins diesel generator 500 kva and 250 kva | 4 | 27.58 | March 19, 2025 | Inter Power Gentech | 180 days from the date of the quotation |
| | **Total** | | **308.03** | | | |

^ *USD amount which was converted at ₹86.67 as at the rate of exchange on March 18, 2025 (Source: https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx).*

^^ *Euro amount which was converted at ₹94.55 as at the rate of exchange on March 18, 2025 (Source: https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx).*

# *Includes packaging cost.*

## *Includes laser seam tracking.*

(1) *Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

**Material Handling Facility**

The plant and machinery for the Material Handling Facility primarily includes boring machines, precision equipment, and millers among others. An indicative list of such plant and machinery that is intended to be purchased, along with details of the quotations received in this respect are set forth below, which have been included in the Project Report:

*Purchase of plant and machinery*

| Sr. No. | Description of the equipment | Quantity | Total cost (₹ in million)[(1)] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|---|
| 1. | CNC Plasma cutting machine | 1 | 7.98 | March 18, 2025 | Messer Cutting Systems India Private Limited | Six months from the date of the quotation |
| 2. | CNC vertical turning center | | 67.60^ | March 18, 2025 | ONSE Machine Tools Private Limited | 180 days from the date of the quotation |
| 3. | CNC horizontal boring and miling machine | 1 | 55.46^ | January 12, 2025 | ONSE Machine Tools Private Limited | 180 days from the date of the quotation |
| 4. | Sliding double column machining center | 1 | 108.33^ | February 8, 2025 | ONSE Machine Tools Private Limited | 180 days from the date of the quotation |
| 5. | Cut to length machine | 1 | 59.05^ | January 17, 2025 | Guangzhou Blue Sky Machine Co. Limited | 180 days from the date of the quotation |

| Sr. No. | Description of the equipment | Quantity | Total cost (₹ in million)[1] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|---|
| 6. | Slitting line | 1 | 25.53^ | February 25, 2025 | Guangzhou Blue Sky Machine Co. Limited | 180 days from the date of the quotation |
| | **Total** | | **323.95** | | | |

^ *USD amount which was converted at ₹86.67 as at the rate of exchange on March 18, 2025. (Source: https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx).*
(1) *Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

*d) Utilities:*

The total estimated cost of utilities for the Project 1 is ₹404.89 million, exclusive of taxes, as applicable, as per the Project Report. We propose to utilise an amount of ₹404.89 million out of the Net Proceeds, towards utilities.

The utilities for the PEB Manufacturing Facility and the Material Handling Facility primarily include power supply equipment, water supply, sewage treatment plants among others. A list of such utilities, along with details of the quotations received in this respect are set forth below, which has been included in the Project Report.

| Sr. No. | Description of the equipment | Total cost (₹ in million)[1] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|
| 1. | Rooftop solar installation 3,000 kwp | 105.00 | January 31, 2025 | Thandon Infrastructure Private Limited | Six months from the date of the quotation |
| 2. | Electrical Work | 238.42 | February 20, 2025 | Mars Engineering Company | Six months from the date of the quotation |
| 3. | Plumbing Work | 38.79 | February 20, 2025 | Mars Engineering Company | Six months from the date of the quotation |
| 4. | Heating, ventilation and air condition system | 22.68 | February 20, 2025 | Mars Engineering Company | Six months from the date of the quotation |
| | **Total** | **404.89** | | | |

(1) *Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

*e) Miscellaneous cost:*

Miscellaneous cost in respect of the proposed Project 1 comprise expenses towards setting up of information technology infrastructure, close circuit television, fire fighting and alarm system. We have estimated that the total miscellaneous cost of ₹76.26 million of which, an amount of ₹76.26 million shall be utilised from the Net Proceeds.

A list of such items forming part of such miscellaneous cost for the PEB Manufacturing Facility and MHS Facility along with the corresponding expenses are set forth below, which has been included in the Project Report:

| Sr. No. | Description of the equipment | Total cost (₹ in million)[1] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|
| 1. | Close circuit television and information technology infrastructure | 38.38 | March 13, 2025 | Thrinaina Informatics Private Limited | Six months from the date of the quotation |
| 2. | Fire fighting and fire alarm system | 37.88 | February 20, 2025 | Mars Engineering Company | Six months from the date of the quotation |
| | **Total** | **76.26** | | | |

(1) *Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

***Infrastructure facilities***

The raw materials required for manufacturing our products will be obtained from third party vendors. The power requirement for Project 1 is proposed to be met through a temporary power supply of electricity from Telangana State Power Distribution Company Limited, and the water requirements during the construction phase are proposed to be met through various sources, including supply of water through tankers.

***Other confirmation***

Our Promoter, Directors, Key Managerial Personnel and Senior Management do not have any interest in the vendors from whom our Company has obtained quotations in relation to the proposed funding of capital expenditure.

Our Promoter and Directors do not have any interest in the land on which Project 1 will be set up. Further, our Promoters and our Directors are not associated in any manner, with between TSIICL, in relation to the acquisition of the land for Project 1.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds.

***Schedule of implementation***

The detailed schedule of implementation of the Project 1 is set forth below:

| S. No. | Phases | Expected Date of Commencement | Expected Date of Completion |
|---|---|---|---|
| 1 | Land Acquisition | February, 2025 | Completed |
| 2 | Appointment of architect and project management consultant | December, 2024 | Completed |
| 3 | Land development and civil building works | September, 2025 | December, 2026 |
| 4 | PEB work and utilities | December, 2025 | March, 2027 |
| 6 | Procurement of machinery | December, 2025 | December, 2026 |
| 7 | Installation, Testing and Commissioning | March, 2026 | March, 2027 |
| 8 | Commercial Production | March, 2027 | - |

*Note: As per the Project Report.*

***Government approvals***

The approvals required at various stages of the Project 1 have been set out in the table below. Such approvals are granted on commencement or completion of various activities, as applicable.

**<u>Approvals for the Project 1:</u>**

The necessary approvals for the Project 1 that are required in accordance with applicable law are stated below.

| Approval description | Approving authority and department | Present stage |
|---|---|---|
| Land – allotment letter / agreement of sale / sale deed | TSIIC Limited | Received |
| Consent to establish | Telangana State Pollution Control Board | Received |
| Factory plan approval | Department of Factories | Received |
| Industry building plan approval | TSIICL | Applied |
| Fire service NOC | Telangana Fire Disaster Response Emergency and Civil Defence Department | Applied |
| Service connection certificate | Telangana State Southern Power Distribution Company Limited ("**TGSPDCL**") | Applied |
| Consent to operate | Telangana State Pollution Control Board | To be applied appropriate stage. |
| License to work at factory | Department of Factories, Government of Telangana | To be applied appropriate stage. |
| Extended producer responsibility registration for generation of e-waste and plastic waste, and the E-Waste Management Rules, 2022 | Central Pollution Control Board | To be applied appropriate stage. |
| Labour license | Labour Department, Telangana | To be applied appropriate stage. |
| Water supply connection | Ground Water Board, Government of Telangana | To be applied appropriate stage. |
| Fire NOC | Telangana Fire Disaster Response and Civil Defense Department, Government of Telangana | To be applied appropriate stage. |
| Building and construction workers' registration | Telangana Building and Other Construction Workers Welfare Board, Department of Labour, Government of Telangana | To be applied appropriate stage. |

*Note: As per the Project Report.*

As on the date of this Draft Red Herring Prospectus, we have not commenced the setting up of Project 1 including construction of building and other civil building works. Accordingly, we are not required to obtain all material licenses / approvals from governmental authorities for Project 1 at this stage. We will apply for all necessary approvals that we may require at the relevant stages in due course, as and when applicable.

In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or vary, subject to timelines. For details, see "***Risk Factors - The equipment quotations received for procurement using Net Proceeds are valid as of this Draft Red Herring Prospectus. However, without definitive vendor agreements, pricing and availability remain uncertain. Any cost variations or vendor changes may lead to time and cost overruns, impacting our business, financial condition, and cash flows.***" on page 42.

2. ***Funding capital expenditure requirements of our Company towards setting up a new integrated manufacturing facility at Parawada, Andhra Pradesh ("Project 2")***

In order to expand our Company's manufacturing capacity, we intend to set up one manufacturing facility ("**Integrated Manufacturing Facility**") in Paravada, Andhra Pradesh which will increase our capacity for PEB, MHS and material processing system. We intend to enhance our capacity to capitalise on the growth of the PEB market, which is projected to grow at a CAGR of 13% from FY 2024 to FY 2029, with the highest growth anticipated in warehouses, cold storage, and data centers. *(Source: CARE Report)* Further, material handling systems are used in various industries and settings to efficiently process, move, store, control, and protect materials and products throughout the manufacturing, warehousing, and distribution processes. *(Source: CARE Report)* The material processing system market is expected to grow at a CAGR of 8% from CY24 to CY29 driven by industrialization and infrastructure development with sectors such as construction, mining, cement, and steel seeing robust expansion. *(Source: CARE Report)*

For details of benefits related to setting up of the Project 2, see "***Our Business – Expand our geographical footprint to strategic Indian markets***" on page 232 and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Expansion of our manufacturing capabilities and capacity utilization***" on page 350.

Our Integrated Manufacturing Facility is proposed to be set up on a land which is owned by our Company. The land is located on survey number 131/4 Edulapaka Bonangi Village, Paravada, Andhra Pradesh admeasuring approximately 29,405 square metres. The said land has been acquired by our Company pursuant to a sale deed entered between OPTC Impex Private Limited and our Company dated December 23, 2024 for which our Company has paid a total consideration of ₹247.39 million including administrative and regulatory costs. Our Board in its meeting held on March 27, 2025, approved an amount of ₹475.38 (including GST) million for the purpose of funding the proposed capital expenditure for Project 2 from the Net Proceeds.

*Total estimated cost of the Project 2*

In order to set up the Project 2, we would incur costs towards land development and civil works, PEB building, purchase of plant and machinery and other related ancillary equipments, utilities, IT infrastructure, miscellaneous costs. The total estimated cost to establish the Project 2 is ₹475.38 million (including GST), as estimated by our management, which has been certified by Stratalign Advisors Private Limited, Hyderabad, Telangana, an independent advisory firm of engineers, pursuant to a report dated March 27, 2025 ("**Project Report**").

Further, out of the total estimated cost above, the total cost that our Company will incur (excluding GST input tax credit which can be claimed) amounts to ₹448.43 million. Of this total estimated cost, we intend to utilise ₹448.43 million from the Net Proceeds.

In this regard, for purposes of funding the proposed capital expenditure of setting up the new manufacturing facility as detailed in below, our Company proposes to utilise ₹448.43 million from the Net Proceeds.

The detailed break-down of estimated cost of the Project 2, is set forth below:

| Particulars | Estimated cost for Integrated Manufacturing Facility (₹ *in million*) (#) | Total estimated cost for Project 2 (₹ *in million*) (#) |
|---|---|---|
| Land development and civil building works(1) | 111.64 | 111.64 |
| PEB buildings(1) | 171.82 | 171.82 |
| Plant and machinery(2) | 64.11 | 64.11 |
| Utilities(2) | 83.10 | 83.10 |
| Miscellaneous(2) | 17.76 | 17.76 |
| **Total Cost** | | **448.43** |

# *While calculating the total estimated cost in the table above, our Company has not considered GST component for the above cost on which GST input tax credit can be claimed by our Company. Estimated cost for Project 2 according to the Project Report is ₹475.38 million inclusive of GST.*

(1) *……Inclusive of GST since input tax credit cannot be claimed.*

(2) *…… Exclusive of GST, since input tax credit can be claimed.*

The applicable taxes for the Project 2 are certified by C. Venkat Krishna & Co., Chartered Accountants by a certificate dated March 27, 2025.

***Detailed break-down of the estimated cost of the Project 2***

A further break-up of the specific costs towards establishing the Project 2 is set forth below:

a) *Land development and civil building works:*

The total estimated cost for land development and civil building works for the proposed Project 2 is ₹111.64 million, inclusive of taxes, as applicable, as per the Project Report, and we have obtained quotations which are valid for six months from the date of the quotation, for the entire amount from RVR Projects Private Limited, the details of which have been set out below. We propose to utilise an amount of ₹111.64 million out of the Net Proceeds, towards such land development and civil building works.

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) (1) | Date of quotation |
|---|---|---|---|---|
| 1. | Earthwork and excavation | 4,770.6 cubic meters | 0.37 | February 4, 2025 |
| 2. | Backfilling | 20,215.7 cubic meters | 7.07 | |
| 3. | Anti-termite treatment | 15,442.4 square meters | 1.28 | |
| 4. | Plain cement concrete | 176.50 cubic meters | 0.78 | |
| 5. | Reinforced cement concrete works | 1,326.7 cubic meters | 8.12 | |
| 6. | Thermo-mechanically treated (TMT) bars | 119.6 metric tons | 10.52 | |
| 7. | Shuttering | 6,753.9 square meters | 3.83 | |
| 8. | Cement sand reinforced (CSR) masonry work | 323.2 cubic meters | 1.98 | |
| 9. | Block work | 451.6 cubic meters | 2.98 | |
| 10. | Plastering | 8,009.2 square meters | 4.54 | |
| 11. | Painting | 7,956.3 square meters | 3.57 | |
| 12. | Flooring | 15,442.4 square meters | 28.24 | |
| 13. | Doors and windows | 266.2 square meters | 4.40 | |
| 14. | Drains | 692.0 running meters | 3.25 | |
| 15. | Compound wall | 506.0 running meters | 10.62 | |
| 16. | Road works | 7,221.5 square meters | 15.93 | |
| 17. | Parking | 3,034.0 square meters | 0.47 | |
| 18. | Greenery | 3,784.0 square meters | 0.33 | |

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) [(1)] | Date of quotation |
|---|---|---|---|---|
| 19. | Weighing bridge | 1.0 square meters | 3.36 | |
| **Total** | | | **111.64** | |

[(1)] *Total estimated cost as per the Project Report. The estimated cost is inclusive of GST, since input tax credit cannot be claimed.*

*b) PEB Building cost*

The total estimated cost for PEB buildings for the proposed Project 2 is ₹171.82 million, including of taxes, as applicable, as per the Project Report, and we have obtained quotation which is valid for six months from the date of the quotation, for the entire amount from RVR Projects Private Limited, the details of which have been set out below. We propose to utilise an amount of ₹171.82 million out of the Net Proceeds, towards PEB buildings cost.

| Sr. No. | Particulars | Quantity | Estimated cost (₹ in million) [(1)] | Date Of Quotation |
|---|---|---|---|---|
| ***Structure*** | | | | |
| 1 | Anchor bolts | 16.69 metric tons | 1.50 | February 4, 2025 |
| 2 | Built-up structure (grade 50, 345 MPa) and hot rolled structure with shot blasting | 1,076.85 metric tons | 112.10 | |
| 3 | Secondary purlins (galvanized iron 275 GSM; 345 MPa) | 139.58 metric tons | 14.80 | |
| 4 | Roof sheeting 0.5 mm screw-down pre-painted galvanized steel | 16,013.00 square meters | 11.06 | |
| 5 | Wall sheeting, canopy sheeting, and roof monitor (0.5 mm total coated thickness) including self-tapping screws (AZ 150 class) | 7,580.00 square meters | 5.23 | |
| 6 | Valley gutter | 921.00 running meters | 1.90 | |
| 7 | High-strength bolts and nuts | 28.89 metric tons | 4.77 | |
| 8 | Deck sheet (0.8 mm thickness) including screws | 726.00 square meters | 0.82 | |
| 9 | Erection of the building | 1,380.26 metric tons | 17.92 | |
| | **Sub-total (A)** | | **170.10** | |
| ***Other Accessories*** | | | | |
| 10 | 160 mm PVC downspouts | 281.00 running meters | 0.22 | February 4, 2025 |
| 11 | Skylights | 844.80 square meters | 1.50 | |
| | **Sub-total (B)** | | **1.72** | |
| | **Total** | | **171.82** | |

[(1)] *Total estimated cost as per the Project Report. The estimated cost is inclusive of GST, since input tax credit cannot be claimed.*

*c) Plant and machinery:*

The total estimated cost for procurement and installation of plant and machinery for the Project 2 is ₹64.11 million, excluding of taxes, as applicable, as per the Project Report. We propose to utilise an amount of ₹64.11 million out of the Net Proceeds, towards such procurement and installation of plant and machinery.

The plant and machinery for the Integrated Manufacturing Facility primarily press brake, plate rolling, plasma cutting among others. An indicative list of such plant and machinery that is intended to be purchased, along with details of the quotations received in this respect are set forth below, which has been included in the Project Report:

*Purchase of plant and machinery*

| Sr. No. | Description of the equipment | Quantity | Total cost (₹ in million)[(1)] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|---|
| 1. | Hydraulic shearing machine including accessories – [#] | 1 | 6.36 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 2. | Hydraulic iron worker | 1 | 2.02 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 3. | Plate rolling machine - three roll - 50mm capacity including accessories[##] | 1 | 9.51 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 4. | CNC plasma cutting | 1 | 7.98[#] | March 18, 2025 | Messer Cutting Systems India Private Limited | Six months from the date of the quotation |
| 5. | CNC plate punching drilling machine | 1 | 3.90[^] | March 18, 2025 | Shandong Raintech SANS Technology Co., Ltd. | Six months from the date of the quotation |
| 6. | Radial drilling machine | 1 | 2.76 | March 19, 2025 | Ziptronics Machine Tools Private Limited | 180 days from the date of the quotation |
| 7. | Hydraulic C frame press (50 tonne capacity) | 1 | 0.48 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 8. | CNC press brake | 1 | 11.43 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 9. | Manual blasting room | 1 | 8.80 | March 03, 2025 | Surface Preparation Solutions and Technologies Private Limited | Six months from the date of the quotation |
| 10. | Hydraulic horizontal frame press (500t) | 1 | 3.97 | March 19, 2025 | Energy Mission Machineries (India) Limited | Six months from the date of the quotation |
| 11. | Cummins DG set 250 and 500 kva | 1 | 6.90 | March 19, 2025 | Inter Power Gentech | 180 days from the date of the quotation |
| | **Total** | | **64.11** | | | |

*[^] USD amount which was converted at ₹86.67 as at the rate of exchange on March 18, 2025 (Source: https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx).*
*[#] Includes packaging cost.*
*[##] Includes cost for supporting structure.*
*[(1)] Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

*d) Utilities:*

The total estimated cost of utilities for the Project 2 is ₹83.10 million, exclusive of taxes, as applicable, as per the Project Report. We propose to utilise an amount of ₹83.10 million out of the Net Proceeds, towards utilities.

The utilities for the Integrated Manufacturing Facility primarily include power supply equipment, water supply, sewage treatment plants among others. A list of such utilities, along with details of the quotations received in this respect are set forth below, which has been included in the Project Report.

| Sr. No. | Description of the equipment | Total cost (₹ in million)[1] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|
| 1. | Rooftop solar installation 1,000 kwp | 35.00 | January 31, 2025 | Thandon Infrastructure Private Limited | Six months from the date of the quotation |
| 2. | Electrical Work | 45.31 | February 20, 2025 | Mars Engineering Company | Six months from the date of the quotation |
| 3. | Plumbing Work | 2.79 | February 20, 2025 | Mars Engineering Company | Six months from the date of the quotation |
| | **Total** | **83.10** | | | |

(1) *Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

*e) Miscellaneous cost:*

Miscellaneous cost in respect of the Project 2 comprise expenses towards setting up of information technology infrastructure, close circuit television, etc. We have estimated that the total miscellaneous cost of ₹17.76 million of which, an amount of ₹17.76 million shall be utilised from the Net Proceeds.

A list of such items forming part of such miscellaneous cost along with the corresponding expenses are set forth below, which has been included in the Project Report:

| Sr. No. | Description of the equipment | Total cost (₹ in million)[1] | Date of quotation | Name of vendor | Period of validity of quotation |
|---|---|---|---|---|---|
| 1. | Close circuit television and information technology infrastructure | 17.76 | March 13, 2025 | Thrinaina Informatics Private Limited | Six months from the date of the quotation |
| | **Total** | **17.76** | | | |

(1) *Total estimated cost as per the Project Report. The estimated cost is exclusive of GST, since input tax credit can be claimed.*

***Infrastructure facilities***

The raw materials required for manufacturing our products will be obtained from third party vendors. The power requirement for the Project 2 is proposed to be met through the supply of electricity from the state electricity board and the water requirements is proposed to be met during the construction phase, through numerous sources such as ground water extracted through borewell and other sources such as supply of water through tankers.

***Other confirmation***

Our Promoter, Directors, Key Managerial Personnel and Senior Management do not have any interest in the vendors from whom our Company has obtained quotations in relation to the proposed funding of capital expenditure. Our Promoter and Directors do not have any interest in the land on which Project 2 will be set up and are not associated in any manner with OPTC Impex Private Limited.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds.

***Schedule of implementation***

The detailed schedule of implementation of the Project 2 is set forth below:

| S. No. | Phases | Expected Date of Commencement | Expected Date of Completion |
|---|---|---|---|
| 1 | Land Acquisition | December, 2024 | Completed |

| S. No. | Phases | Expected Date of Commencement | Expected Date of Completion |
|---|---|---|---|
| 2 | Appointment of architect and project management consultant | December, 2024 | Completed |
| 3 | Land development and civil building works | September, 2025 | March, 2026 |
| 4 | PEB work and utilities | November, 2025 | October, 2026 |
| 6 | Procurement of machinery | December, 2025 | March, 2026 |
| 7 | Installation, Testing and Commissioning | December, 2025 | January, 2026 |
| 8 | Commercial Production | October, 2026 | - |

*Note: As per the Project Report.*

***Government approvals***

The approvals required at various stages of the Project 2 have been set out in the table below. Such approvals are granted on commencement or completion of various activities, as applicable. Further, the approvals which were required to be obtained given the stage of development of Project 2 have been obtained.

**<u>Approvals required for Project 2</u>**

The necessary approvals for the Project 2 that are required in accordance with applicable law are stated below.

| Approval Description | Approving authority and department | Current stage |
|---|---|---|
| Land – allotment letter / agreement of sale / sale deed | N.A. | Received |
| Building plan approval | Andhra Pradesh Industrial Infrastructure Corporation - Industrial Area Local Authority | Received |
| Factory Registration | Directorate of Factories, Andhra Pradesh | Received |
| Consent to establish | Andhra Pradesh Pollution Control Board ("**APPCB**") | Received |
| Service connection certificate | Andhra Pradesh Northern Power Distribution Company Limited (**"APNPDCL**") | To be applied at appropriate stage. |
| Consent to operate | APPCB | To be applied at appropriate stage. |
| Electricity connection | APNPDCL | To be applied at appropriate stage. |
| Water supply connection | Ground Water Board, Government of Andhra Pradesh | To be applied at appropriate stage. |
| License to store and handle hazardous substances | APPCB | To be applied at appropriate stage. |
| Labour license | Labour Department, Andhra Pradesh | To be applied at appropriate stage. |
| Fire plan approval | State Disaster Response and Fire Services Department, Government of Andhra Pradesh | To be applied at appropriate stage. |
| Building and construction workers registration | Andhra Pradesh Building and Other Construction Workers Welfare Board, Government of Andhra Pradesh | To be applied at appropriate stage. |

*Note: As per the Project Report.*

As on the date of this Draft Red Herring Prospectus, we have not commenced the setting up of Project 2 including construction of building and other civil building works. Accordingly, we are not required to obtain all material licenses / approvals from governmental authorities for Project 2 at this stage. We will apply for all necessary approvals that we may require at the relevant stages in due course, as and when applicable.

In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or vary, subject to timelines. For details, see "***Risk Factor - The equipment quotations received for procurement using Net Proceeds are valid as of this Draft Red Herring Prospectus. However, without definitive vendor agreements, pricing and availability remain uncertain. Any cost variations or vendor changes may lead to time and cost overruns, impacting our business, financial condition, and cash flows.***" on page 42.

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. Additionally, the applicable taxes (where not included), packaging charges (where not included), freight and installation charges (where not included), will be paid out of our internal accruals.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. We have not entered into any definitive agreements or placed orders with any of these vendors and will do so at an appropriate time. Hence, there can be no assurance that the same vendors would be engaged to supply the equipment or at the same costs at the time of placing such orders. Further, when the final orders are placed with the afore-said vendors, the estimated amount provided under the relevant quotations may vary due to various reasons. The quantity of equipment to be purchased is based on the present estimates of our management and our management shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of its management as per applicable laws. For details, see "***Risk Factor - The equipment quotations received for procurement using Net Proceeds are valid as of this Draft Red Herring Prospectus. However, without definitive vendor agreements, pricing and availability remain uncertain. Any cost variations or vendor changes may lead to time and cost overruns, impacting our business, financial condition, and cash flows.***" on page 42.

*3.* ***Prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by our Company***

Our Company has entered into various arrangements for borrowings (fund and non-fund based) in the form of working capital facilities, term loans, equipment loans, vehicle loans, letter of credit and bank guarantees, among others. As on January 31, 2025, the total outstanding borrowings of our Company was ₹3,621.82 million out of which we have obtained fund based borrowings of ₹2,278.17 million. For details of these borrowing arrangements including indicative terms and conditions, see "***Financial Indebtedness***" on page 380.

Our Company intends to utilize an estimated amount of up to ₹650.00 million from the Net Proceeds towards prepayment or repayment, in full or in part, of certain borrowings availed by our Company comprising 28.53% of our total fund based borrowings as of January 31, 2025, the details of which are listed out in the table below. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Any payment towards such prepayment charges, as applicable, along with interest and other related costs, shall be made from the internal accruals of our Company.

Further, given the nature of the borrowings and the terms of prepayment or repayment, the aggregate outstanding amounts under the borrowings availed by our Company, may vary from time to time and our Company in accordance with the relevant repayment schedule, may prepay / repay or refinance its existing borrowings from one or more lenders in the ordinary course of business, prior to filing of the Red Herring Prospectus. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Additionally, owing to the nature of our business, our Company may avail additional facilities, repay certain instalments of our borrowings and/ or draw down further funds under existing borrowing facilities, from time to time, after the filing of this Draft Red Herring Prospectus. Accordingly, in case any of the borrowings set out in the table below are pre-paid or further drawn-down prior to the filing of the Red Herring Prospectus, we may utilize the Net Proceeds towards repayment and / or pre-payment of such additional borrowings. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loan is 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. The amount allocated for estimated schedule of deployment of Net Proceeds in a particular Fiscal may be utilized for repayment or prepayment of borrowings availed by our Company in the subsequent Fiscal, as may be deemed appropriate by our Board, subject to applicable law.

We believe that the repayment/ prepayment of the borrowings by our Company, will help reduce our overall outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt-equity ratio and enable better utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the improved debt-equity ratio 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.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the borrowings outstanding and the remaining tenor of the borrowings. The amounts proposed to be prepaid and/ or repaid against the borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and/ or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment. For details in relation to key terms of our borrowings, see "***Financial Indebtedness***" on page 380.

The following table sets forth details of the indicative list of borrowing availed by our Company, which were outstanding as on January 31, 2025, which are proposed to be prepaid or prepaid, all or in part, from the Net Proceeds:

| Serial no | Name of the lender | Nature of borrowing | Date of sanction letter/ loan arrangement | Sanctioned amount as of January 31, 2025 (₹ in million) | Principal amount outstanding as on January 31, 2025 (₹ in million) | Interest rate per annum (in %) of borrowings as of January 31, 2025 | Re-payment debt / schedule / tenor | Prepayment penalty | Purpose for which disbursed loan amount was used |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Sundaram Finance Limited | Refinance machinery - term loan (to meet working capital requirement) | December 22, 2021 | 13.50 | 6.09 | 11.25% | 60 equal monthly instalments | 5% of the outstanding principal on the date of foreclosure | To meet working capital requirements |
| 2 | Sundaram Finance Limited | Equipment loan - (machinery term loan) | April 14, 2023 | 19.18 | 14.66 | 12.25% | 59 equal monthly instalments | After six EMIs, 5% of the principal outstanding | Towards purchase of equipment and machineries |
| 3 | Tata Capital Financial Services Limited | Term loan | August 7, 2023 | 32.40 | 23.22 | 11.45% (long term lending rate less 9.75%) | 60 equal monthly instalments | 4% on the amount prepaid | Purchase of industrial property for own usage located at Shed No.6, Sy No.457, Phase III IDA Patanchervu, Snagareddy District, Telangana |
| 4 | Yes Bank Limited | Term loan - new construction equipment loan | March 22, 2024 | 33.53 | 28.01 | 9.80% | 46 equal monthly instalments | Prepayment / foreclsoure is allowed after the repayment of 6 EMIs, with a penalty of 4% on the outstanding principal | Towards purchase of equipment and machineries |
| 5 | Yes Bank Limited | Term loan - new construction equipment loan | May 31, 2024 | 9.06 | 7.90 | 9.80% | 46 equal monthly instalments | Prepayment is allowed after the repayment of 6 EMIs, with a penalty of 4% on the outstanding principal | Towards purchase of equipment and machineries |

| Serial no | Name of the lender | Nature of borrowing | Date of sanction letter/ loan arrangement | Sanctioned amount as of January 31, 2025 (₹ in million) | Principal amount outstanding as on January 31, 2025 (₹ in million) | Interest rate per annum (in %) of borrowings as of January 31, 2025 | Re-payment debt / schedule / tenor | Prepayment penalty | Purpose for which disbursed loan amount was used |
|---|---|---|---|---|---|---|---|---|---|
| 6 | HDFC Bank Limited | Equipment loan | February 29, 2024 | 8.99 | 7.04 | 9.00% | 37 equal monthly instalments | The rates are 4% for within 12 EMIs and 2% thereafter | Towards purchase of equipment and machineries |
| 7 | HDFC Bank Limited | Equipment loan | February 29, 2024 | 6.65 | 5.21 | 9.00% | 37 equal monthly instalments | The rates are 4% for within 12 EMIs and 2% thereafter | Towards purchase of equipment and machineries |
| 8 | HDFC Bank Limited | Equipment loan | February 29, 2024 | 1.43 | 1.12 | 9.00% | 37 equal monthly instalments | The rates are 4% for within 12 EMIs and 2% thereafter | Towards purchase of equipment and machineries |
| 9 | HDFC Bank Limited | Equipment loan | February 29, 2024 | 4.54 | 3.56 | 9.00% | 37 equal monthly instalments | The rates are 4% for within 12 EMIs and 2% thereafter | Towards purchase of equipment and machineries |
| 10 | HDFC Bank Limited | Equipment loan | February 29, 2024 | 24.43 | 19.13 | 9.00% | 37 equal monthly instalments | The rates are 4% for within 12 EMIs and 2% thereafter | Towards purchase of equipment and machineries |
| 11 | HDFC Bank Limited | Equipment loan | September 19, 2024 | 3.56 | 3.23 | 9.554% | 37 equal monthly instalments | The rates are 4% for within 12 EMIs and 2% thereafter | Towards purchase of equipment and machineries |

| Serial no | Name of the lender | Nature of borrowing | Date of sanction letter/ loan arrangement | Sanctioned amount as of January 31, 2025 (₹ in million) | Principal amount outstanding as on January 31, 2025 (₹ in million) | Interest rate per annum (in %) of borrowings as of January 31, 2025 | Re-payment debt / schedule / tenor | Prepayment penalty | Purpose for which disbursed loan amount was used |
|---|---|---|---|---|---|---|---|---|---|
| 12 | HDFC Bank Limited | Cash credit | The loan facilities was initially sanctioned pursuant to letter dated May 26, 2021, as amended from time to time read with the latest renewed sanction letter dated December 11, 2024 | 160.00 | 78.48 | 9.35% (3Ms Repo (Reference Rate) - 6.5% + Spread of 2.85% ) | Repayable on demand | In case of foreclosure / takeover whole or part of the facility - 4% of the overall facility limit | Working capital requirements |
| 13 | ICICI Bank Limited | Cash credit | The loan facilities was initially sanctioned pursuant to letter dated August 13, 2021, as amended from time to time read with the latest renewed sanction letter dated December 20, 2024 | 100.00 | 94.02 | 9.75% (6-Month MCLR (marginal cost of funds-based lending rate) + spread of 0.75%) | Repayable on demand | NA | Working capital requirements |

| Serial no | Name of the lender | Nature of borrowing | Date of sanction letter/ loan arrangement | Sanctioned amount as of January 31, 2025 (₹ in million) | Principal amount outstanding as on January 31, 2025 (₹ in million) | Interest rate per annum (in %) of borrowings as of January 31, 2025 | Re-payment debt / schedule / tenor | Prepayment penalty | Purpose for which disbursed loan amount was used |
|---|---|---|---|---|---|---|---|---|---|
| 14 | ICICI Bank Limited | Term loan | December 20, 2024 | 175.00 | 170.83 | 10.00%<br><br>(9.10% MCLR- 1 year (marginal cost of funds-based lending rate) + spread of 0.90%) | 84 equal monthly instalments | In case of preclosure, whole or part of the facility : 2% of the outstanding amount being taken over# | Purchase of property located at survey No. 130 and 131 of Edulapaka Bonangi Village, Paravada Mandal, Viskhapatnam District, Andhra Pradesh |
| 15 | State Bank of India | Cash credit | The loan facilities was initially sanctioned pursuant to letter dated March 17, 2023, as amended from time to time read with the latest renewed sanction letter dated November 29, 2024 | 350.00 | 349.30 | 10.15%<br>(1 % above 6-month MCLR) | Repayable on demand | In case of preclosure, whole or part of the facility : 2% of the outstanding amount being taken over | Working capital requirements |
| | **Total** | | | **942.27** | **811.80** | | | | |

*Note: In accordance with paragraph 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Joint Statutory Auditors, by way of their certificate dated March 27, 2025 have confirmed that our Company has utilized the loans for the purposes for which they were availed.*

*# The Borrower may prepay the Facility, in full or in part thereof.*

(1) *Without any prepayment premium - within 60 days of any increase of spread, subject to our Company providing an irrevocable written notice of prepayment to the bank within 15 days of such increase of spread.*

(2) *Other cases, prepayment premium of 1.0% on principal amount of the loan being prepaid. Above are subject to the borrower giving at least 15 days prior irrevocable written notice.*

(3) *Where facilities are closed by way of balance transfer/ takeover, a prepayment premium of 4% of facilities / limits taken over by the other bank / financial institution.*

4. **General corporate purpose**

The Net Proceeds will first be utilized towards the Objects, as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds amounting to ₹[●] million towards general corporate purposes as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds, in accordance with the SEBI ICDR Regulations. Our Board will have flexibility in utilizing the balance Net Proceeds towards general corporate purposes, including but not limited to maintenance of plant and machineries, strategic initiatives, partnership and joint ventures, brand building exercises and business, meeting any expense of our Company, including administration, insurance, marketing, repairs and maintenance, payment of taxes and duties, and expenses incurred in the ordinary course of business and towards any exigencies, and any other purpose, other than the Objects as specified above, as may be finalized by our management in accordance with applicable laws. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our management, subject to compliance with applicable laws.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with applicable laws, shall have the flexibility in utilizing surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds or through our internal accruals, if any, which are not applied to the other purposes set out above.

**Offer related expenses**

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of this Offer include, among others, listing fees, underwriting commission, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for: (a) listing fees which will be borne by our Company; (b) expenses for any corporate advertisements, i.e. any corporate advertisements consistent with past practices of our Company that will be borne by the Company, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Promoter Selling Shareholder in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Promoter Selling Shareholder in the Offer for Sale, respectively, and in accordance with applicable law. Any Offer expenses paid by our Company on behalf of the Promoter Selling Shareholder in the first instance will be reimbursed to our Company, by the Promoter Selling Shareholder to the extent of its Offer related expenses. Further, the expenses related to the portion of the Offer for Sale shall be deducted from the proceeds of the Offer for Sale and only the balance amount shall be paid to the Promoter Selling Shareholder in the proportion to the Offered Shares sold by the Promoter Selling Shareholder. 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 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 and paid by the Company unless under Applicable Law such costs and expenses are required to be shared between: (a) our Company; and (b) the Promoter Selling Shareholder, to the extent of and in proportion to the number of Equity Shares proposed to be issued and Allotted by the Company pursuant to the Fresh Issue and offered for sale by the Promoter Selling Shareholder in the Offer for Sale, respectively

The estimated Offer expenses are as follows:

| S. No | Activity | Estimated expenses*(₹ *in million*) | As a % of the total estimated Offer expenses | As a % of the total Offer size |
|---|---|---|---|---|
| 1. | Fees payable to the BRLMs including underwriting commission | [●] | [●] | [●] |
| 2. | Commission and processing fees for SCSBs (1)(2) and Bidding Charges for Members of the | [●] | [●] | [●] |

| S. No | Activity | Estimated expenses*(₹ *in million*) | As a % of the total estimated Offer expenses | As a % of the total Offer size |
|---|---|---|---|---|
| | Syndicate, Registered Brokers, RTAs and CDPs(3)(4)(5)(6) | | | |
| 3. | Fees payable to the Registrar to the Offer | [●] | [●] | [●] |
| 4. | Other expenses: | | | |
| | (i) Listing fees, SEBI filing fees, book building software fees, NSDL and CDSL fee and other regulatory expenses | [●] | [●] | [●] |
| | (ii) Printing and stationery expenses | [●] | [●] | [●] |
| | (iii) Fees payable to the Statutory Auditor, industry service provider and RoC consultant | [●] | [●] | [●] |
| | (iv) Advertising and marketing expenses for the Offer | [●] | [●] | [●] |
| | (v) Fees payable to the legal counsels to the Offer | [●] | [●] | [●] |
| | (vi) Miscellaneous | [●] | [●] | [●] |
| | **Total Estimated Offer Expenses** | [●] | [●] | [●] |

* *To be incorporated in the Prospectus after finalization of the Offer Price. Offer expenses are estimates and are subject to change. Offer expenses include goods and services tax, where applicable.*

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

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

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

*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.*

*No additional processing/uploading charges shall be payable by our Company or the Promoter Selling Shareholder to the SCSBs on the applications directly procured by them.*

(2) *Processing fees payable to the SCSBs on the portion for Retail Individual Investors and portion for Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Brokers/RTAs/CDPs and submitted to SCSBs for blocking would be as follows:*

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

* *Based on valid Bid cum Application Forms*

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

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

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

*Bidding Charges: ₹[●] (plus applicable taxes) per valid application bid by the Members of the Syndicate (including their sub-Syndicate members)/ RTA/CDPs.*

*Note: The brokerage/selling commission payable to the Syndicate/sub-Syndicate members will be determined on the basis of the ASBA Form number/series, provided that the application is also bid by the respective Syndicate/sub-Syndicate member. For clarification, if an ASBA bid on the application form number/series of a Syndicate/sub-Syndicate member, is bid for by an SCSB, the brokerage/selling commission will be payable to the SCSB and not to the Syndicate/sub-Syndicate member. The brokerage/selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of either of the Stock Exchanges. The bidding charges payable to the Syndicate/sub-Syndicate members will be determined on the basis of the bidding terminal ID as captured in the Bid book of the Stock Exchanges. Payment of brokerage/selling commission payable to the sub-brokers/agents of the sub-Syndicate members shall be handled directly by the sub-Syndicate members, and the necessary records for the same shall be maintained by the respective sub-Syndicate member.*

(4) *Selling commission payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, and portion for Non-Institutional Investors which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:*

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

* *Based on valid Bid cum Application Forms*

(5) *Bidding charges of ₹[●] (plus applicable taxes) shall be paid per valid Bid cum Application Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. Further, in order to determine to which Registered Broker/RTA/CDP, the commission is payable, the terminal from which the bid has been uploaded will be taken into account.*

(6) *Processing fees for applications made by UPI Bidders would be as follows:*

| | |
|---|---|
| *RTAs / CDPs/ Registered Brokers/Members of the Syndicate* | *₹[●] per valid Bid cum Application Form (plus applicable taxes)* |
| *Sponsor Bank(s)* | *₹[●] for applications made by UPI Bidders using the UPI Mechanism**<br>*The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.* |

* *Based on valid applications*

*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.*

*The Book Running Lead Managers shall ensure that the payment of processing fee or selling commission to the intermediaries shall be released only after ascertaining that there are no pending complaints pertaining to block or unblock of Bids by UPI Bidders, receiving the confirmation on completion of unblocks from Sponsor Banks or SCSBs and certification from RTA/ SCSBs.*

**Interim use of funds**

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Any interest earned on the deposits made by our Company in a scheduled commercial bank, shall be utilized towards a shortfall in fulfilment of the Object(s), if any, as set out above. Further, in case there is no shortfall in utilization of the Net Proceeds towards the Objects or if there is any residual interest income after meeting such shortfall, the residual interest income shall be utilized towards maintenance of plant and machineries, strategic initiatives, partnership and joint ventures, meeting any expense of our Company, including administration, insurance, marketing, repairs and maintenance, duties and other similar obligations, and expenses incurred in the ordinary course of business and towards any exigencies, and any other purpose, as the case may be, and as may be deemed fit by the management of our Company.

**Appraising Entity**

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

**Bridge financing facilities**

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

**Monitoring of utilization of funds**

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, our Company will appoint a Monitoring Agency to monitor the utilization of the Gross Proceeds as the proposed Offer (excluding the Offer for Sale by the Promoter Selling Shareholder) exceeds ₹1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds (including in relation to the utilisation of the Gross Proceeds towards general corporate purpose) 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 Gross 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 Gross Proceeds, including interim use under a separate head in our balance sheet for such Fiscals as required under applicable law, clearly specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Gross Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly financial results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor of our Company or the independent chartered accountant in accordance with Regulation 32(5) of SEBI Listing Regulations. In accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Gross Proceeds from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the Gross Proceeds from the Objects as stated above. This information will also be published in newspapers one in English, one in Hindi and one in Telugu, the vernacular language of the jurisdiction where our Registered Office is situated.

**Variation in Objects of the Offer**

In accordance with Sections 13(8) and 27 of the Companies Act 2013 and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details and be published in accordance with the Companies Act 2013 and applicable rules. The Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Telugu, the vernacular language of the jurisdiction where our Registered Office is situated.

Our Promoters 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, 2013 and the SEBI ICDR Regulations. For further details, see "***Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control***" on page 47.

**Other Confirmations**

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Promoter Selling Shareholder, no part of the Net Proceeds will be paid to our Promoters, members of our Promoter Group, our Directors, our Group Companies, our Key Managerial Personnel or Senior Management, except in the ordinary course of business.

Our Company has neither entered into nor has planned to enter into any arrangement/ agreements with our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, Senior Management or our Group Companies in relation to the utilization of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the Objects of the Offer.

## BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, and in accordance with applicable law, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 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. Investors should also refer to the sections "***Risk Factors***", "***Our Business***", "***Restated Financial Information***", and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 33, 219, 287 and 343, respectively, to have an informed view before making an investment decision.

### I. Qualitative Factors

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

- Deep domain expertise backed by a demonstrable record of timely execution of customised large, complex projects including first of its kind projects;
- Long standing relationships with marquee customer base;
- Strong market presence in high growth pre-engineered buildings and material handling system business lines;
- Strong backward integration supported by strong in-house design and engineering expertise;
- Diversified order book across business lines; and
- Experienced Promoters and management team.

For further details, see "***Our Business – Strengths***" on page 225.

### II. Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Information. For details, see "***Restated Financial Information***" on page 287.

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

**1. Basic and diluted earnings per Equity Share ("EPS"), as adjusted for change in capital:**

| Financial Year/ Period ended | Basic EPS (₹) | Diluted EPS (₹) | Weight |
|---|---|---|---|
| March 31, 2024 | 7.65 | 7.65 | 3 |
| March 31, 2023* | 4.70 | 4.70 | 2 |
| March 31, 2022* | 0.71 | 0.71 | 1 |
| **Weighted Average** | **5.51** | **5.51** | |
| Six months ended September 30, 2024# | 3.90 | 3.90 | |

**On standalone basis*

*#Not annualised*

*Notes:*

*(1) Weighted average Basic and Diluted EPS for the financial year March 31, 2024; March 31, 2023 and March 31, 2022 = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/total of weights.*

*(2) Basic Earnings per Equity Share (EPS) (₹) = Restated profit for the period / year attributable to equity shareholders of our Company divided by weighted average number of equity shares outstanding during the period / year.*

*(3) Diluted Earnings per Equity Share (EPS) (₹) = Restated profit for the period / year attributable to equity shareholders of our Company divided by weighted average number of equity shares outstanding during the period / year adjusted for the effects of all dilutive] potential equity shares.*

*(4) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.*

*(5) The face value of each Equity Share is ₹5 each. Pursuant to resolutions passed by our board and shareholders on January 28, 2025 and January 29, 2025 respectively, our company has sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Basic EPS and Diluted EPS for all the period / years have been derived post the impact of the said split of shares.*

*(6) The figures disclosed above are based on the Restated Financial Information of our Company for the respective period/year.*

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

| Particulars | P/E at the Floor Price (no. of times)* | P/E at the Cap Price (no. of times)* |
|---|---|---|
| Based on basic EPS for Fiscal 2024 | [●] | [●] |

| Particulars | P/E at the Floor Price (no. of times)* | P/E at the Cap Price (no. of times)* |
|---|---|---|
| Based on diluted EPS for Fiscal 2024 | [●] | [●] |

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

## 3. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company), details of the highest, lowest and industry average P/E ratio are set forth below:

| Particulars | P/E ratio |
|---|---|
| Highest | 40.70 |
| Lowest | 14.50 |
| Industry Peer set average | 25.11 |

*Notes:*

*(i) The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison of Accounting Ratios with listed industry peers". The industry average has been calculated as the simple average P/E of the peer set provided below.*

*(ii) P/E figures for the peer are computed based on closing market price as on March 20, 2025 on BSE, divided by Diluted EPS (on consolidated basis unless otherwise available only on standalone basis) based on the financial results declared by the peers for the Financial Year ending March 31, 2024 submitted to stock exchanges.*

## 4. Return on Net Worth ("RoNW")

| Financial Year/ Period ended | RoNW (%) | Weight |
|---|---|---|
| March 31, 2024 | 33.42 | 3 |
| March 31, 2023* | 33.08 | 2 |
| March 31, 2022* | 10.65 | 1 |
| **Weighted Average** | **29.51** | |
| Six months ended September 30, 2024# | 15.19 | |

**On standalone basis*

#*Not annualised*

*Notes:*

(1) *Weighted average = Aggregate of financial year-wise weighted Net Worth divided by the aggregate of weights i.e. (Net Worth x Weight) for each financial year / Total of weights*

(2) *Return on Net Worth (%) = Net profit after tax, as per restated financial information / Net worth as per restated financial information as at period/year end.*

(3) *Net worth means the aggregate value of the paid-up share capital and other equity of the Company as at period/year end as per Restated financial information. Other equity is calculated as all reserves created out of 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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation and amalgamation; and items of other comprehensive income.*

## 5. Net Asset Value per Equity Share ("NAV"), as adjusted for change in capital

| Period ended | NAV(1) per Equity Share (₹) |
|---|---|
| As at March 31, 2024 | 21.77 |
| As on September 30, 2024 | 25.67 |
| *After the completion of the Offer* | |
| - At the Floor Price | [●] |
| - At the Cap Price | [●] |
| *At Offer Price*(2) | [●] |

*Notes:*

(1) *Net Asset Value per Equity Share = Net worth / Number of equity shares outstanding as at the end of year/period.*
*Net worth means the aggregate value of the paid-up share capital and other equity of the Company as at period/year end as per Restated financial information. Other equity is calculated as all reserves created out of 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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation and amalgamation; and items of other comprehensive income.*
*Pursuant to resolutions passed by our board and shareholders on January 28, 2025 and January 29, 2025 respectively, our company has sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Net Asset Value per Equity Share has been derived post the impact of the said split of shares.*

(2) *Offer Price per Equity Share will be determined on conclusion of the Book Building Process*

## 6. Comparison of Accounting Ratios with listed industry peers

Set forth below is a comparison of our accounting ratios with our listed peers in accordance with the SEBI ICDR Regulations:

| Name of the company | Face value (₹ per share) | Closing price on March 20, 2025 (₹) | Revenue from Operations for Fiscal 2024 (₹ in million) | EPS (₹) | | NAV (₹ per equity share) as on March 31, 2024 | P/E as on March 20, 2025 | RoNW (%) as on March 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | | Basic | Diluted | | | |
| Ardee Engineering Limited | 5.00 | [●] | 6,209.90 | 7.65 | 7.65 | 21.77 | [●] | 33.42% |
| **Peer Group** | | | | | | | | |
| Pennar Industries Limited | 5.00 | 183.15 | 31,305.70 | 7.29 | 7.29 | 64.73 | 25.12 | 11.26% |
| Everest Industries Limited | 10.00 | 461.10 | 15,754.52 | 11.42 | 11.33 | 378.76 | 40.70 | 3.01% |
| Capacite Infraprojects Limited | 10.00 | 353.10 | 19,316.38 | 16.09 | 16.09 | 179.23 | 21.95 | 7.94% |
| PSP Projects Limited | 10.00 | 630.75 | 25,057.89 | 34.16 | 34.16 | 254.16 | 18.46 | 13.44% |
| Ahluwalia Contracts (India) Limited | 2.00 | 811.35 | 38,552.98 | 55.95 | 55.95 | 238.80 | 14.50 | 23.43% |
| ISGEC Heavy Engineering Limited | 1.00 | 984.45 | 62,193.37 | 33.14 | 33.14 | 335.44 | 29.71 | 10.33% |
| Interarch Building Products Limited | 10.00 | 1,486.00 | 12,933.02 | 58.68 | 58.68 | 306.11 | 25.32 | 19.54% |

*Note: Financial information for Company is derived from the Restated Financial Information for the year ended March 31, 2024.*

***Notes:***

i. *All the financial information for listed industry peer mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports as available on public domain of the respective companies for the relevant year ended March 31, 2024.*

ii. *P/E Ratio has been computed based on the closing market price of equity shares on BSE as on March 20, 2025, divided by the Diluted EPS.*

iii. *Return on Net Worth (%) = Net profit after tax (attributable to owners) / Net worth.*

iv. *Net worth= the aggregate value of the paid-up share capital and other equity of the Company as at period/year end as per Restated financial information. Other equity is calculated as all reserves created out of 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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation and amalgamation; and items of other comprehensive income.*

## III. Key Performance Indicators ("KPIs")

The table below sets forth the details of the KPIs that our Company considers to have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 27, 2025 and the Audit Committee has confirmed that there are no KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus. All the KPIs that have been disclosed in this section have been subjected to verification and certification by C. Venkat Krishna & Co., Chartered Accountants, pursuant to its certificate dated March 27, 2025, which has been included as part of the "***Material Contracts and Documents for Inspections***" on page 463 and shall be accessible on the website of our Company at https://ardee.co.in/material-contract.html.

For details of other business and operating metrics 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 219 and 343, respectively.

Details of our KPIs for the six months ended September 30, 2024 and the Fiscals 2024, 2023 and 2022 are set out below:

| Sr. No. | Particulars | Units | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| ***Financial KPIs*** | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |
| 2. | Closing Order Book | ₹ in million | 7,612.81 | 7,218.00 | 5,828.31 | 3,176.32 |
| 3. | EBITDA | ₹ in million | 350.59 | 606.49 | 248.59 | 90.96 |
| 4. | EBITDA Margin | % | 12.11% | 9.74% | 7.49% | 4.18% |
| 5. | Profit after tax (PAT) | ₹ in million | 155.97 | 291.05 | 109.13 | 12.86 |
| 6. | PAT Margin | % | 5.39% | 4.67% | 3.29% | 0.59% |
| 7. | Total Equity | ₹ in million | 1,030.97 | 873.11 | 331.31 | 120.78 |
| 8. | Net Debt | ₹ in million | 1,654.82 | 1,605.71 | 725.75 | 712.58 |
| 9. | Net Debt to Total Equity ratio | Times | 1.61x | 1.84x | 2.19x | 5.90x |
| 10. | Net Debt to EBITDA ratio* | Times | 4.72x | 2.65x | 2.92x | 7.83x |
| 11. | Return on Equity (RoE) * | % | 15.13% | 33.33% | 32.94% | 10.65% |
| 12. | Return on Capital Employed (RoCE) * | % | 11.04% | 20.97% | 16.16% | 7.80% |
| ***Business KPIs*** | | | | | | |
| 13. | Revenue Split by Segment#: | | | | | |
| | Pre-engineered buildings | ₹ in million | 1,447.20 | 3,111.75 | 1,353.83 | 1,556.62 |
| | Material Handling Systems | ₹ in million | 705.41 | 1,221.21 | 1,508.47 | 329.35 |
| | Engineering Services | ₹ in million | 711.90 | 1,872.11 | 444.10 | 282.67 |

**Not annualised for September 30, 2024, #Does not include Revenue from scrap sales*

*Note:*

a. *Revenue from operations means the revenue from operations for the period / year.*
b. *Closing Order Book is the total value of orders pending to be executed as on the relevant date. It is calculated as opening balance of order book value plus new orders received during the period / year minus billing done during the period / year.*
c. *EBITDA refers to Earnings before Interest, Taxes, Depreciation and amortization; and it is computed as Restated profit before exceptional items and tax plus Finance Cost plus Depreciation and amortization.*
d. *EBITDA Margin is EBITDA during a given period / year as a percentage of Total Income for that period / year.*
e. *Profit after tax (PAT) = Profit after tax for the period/year as per restated financial information.*
f. *PAT Margin is PAT during a given period / year as a percentage of Total Income for that period / year.*
g. *Total Equity means the total equity for the period/year end as per restated financial information*
h. *Net Debt is computed as Non-current Borrowings plus Current Borrowings plus Current and Non-current lease liabilities less Cash and Cash equivalents, Bank balances and Deposits with maturity more than 12 months.*
i. *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA for the period / year.*
j. *Net Debt to Total Equity ratio is calculated as Net Debt divided by Total Equity.*
k. *Return on Equity (RoE) = PAT divided by Total Equity for the period / year.*
l. *Return on Capital Employed (ROCE) is calculated as Profit before Interest and Taxes divided by Total Capital Employed. Total Capital Employed is Total Equity minus Intangible assets plus Non-current and Current Borrowings plus Deferred Tax Liability (net) as at the period/year end.*

Our Company confirms that it shall continue to disclose all the KPIs included hereinabove in this 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 of one year after the date of listing of the Equity Shares on the Stock Exchanges pursuant to the Offer, or until the utilization of Fresh Issue as disclosed in "***Objects of the Offer***" on page 112,or for such other period as may be required under the SEBI ICDR Regulations.

All such KPIs have been defined consistently and precisely in "***Definitions and Abbreviations – Conventional and General Terms or Abbreviations***" on page 10**.**

**Explanation of the historic use of the Key Performance Indicators 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 KPIs, as presented above, as a supplemental measure to review and assess our performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. These KPIs may not be defined under Ind AS and are not presented in accordance with Ind AS and hence, should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our performance, liquidity, profitability or results of operations. These KPIs have limitations as analytical tools. Further, these 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 and trends.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business. For further details please see "***Risk Factors - We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operations and financial performance in this Draft Red Herring Prospectus that are subject to inherent measurement challenges. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial, or industry-related statistical information of similar nomenclature computed and presented by other companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool for investors and there can be no assurance that there will not be any issues or such tools will be accurate going forward***" on page 72.

**The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below:**

| KPI | Explanation for the KPI |
| --- | --- |
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps to assess the overall financial performance of the Company and size of the business |
| Closing Order Book | Closing Order Book provides details of the total value of orders in pipeline pending to be executed |
| EBITDA | EBITDA provides information regarding the operational profitability of the business. It facilitates evaluation of the year-on-year performance of the business |
| EBITDA Margin | EBITDA Margin (%) is an indicator of the operational profitability of company's business and assists in tracking the margin profile of the business and the historical performance and provides financial benchmarking against peers |
| Profit after tax (PAT) | PAT represents the profit/loss that the company's make for the financial year or during a given period. It provides information regarding the overall profitability of the company's business |
| PAT Margin | PAT Margin is an indicator of the overall profitability of the company's business and provides financial benchmarking against peers as well as to compare against the historical performance of company's business |
| Total Equity | Total equity means total equity for the period/year end as per restated financial information |
| Net Debt | Net debt reflects a company's financial health by indicating its ability to cover liabilities with available cash and near-term liquidity |
| Net Debt to Total Equity ratio | The Net Debt to Equity Ratio is a measure of the extent to which a company can cover debt and represents debt position in comparison to the company's equity position. It helps evaluate company's financial leverage |

| KPI | Explanation for the KPI |
|---|---|
| Net Debt to EBITDA Ratio | Net Debt to EBITDA ratio enables to measure the ability and extent to which a company can cover debt in comparison to the EBITDA being generated by the Company. |
| Return on Equity or RoE | Return on Total Equity (%) represents how efficiently a company generate profits from the shareholders’ funds |
| Return on Capital Employed or RoCE | Return on Capital Employed represents how efficiently a company generate earnings before interest and tax from the capital employed |
| Revenue Split by Segment | Revenue split by segment provides information about the revenue from each of the business vertical that the company operates in |

We have also described and defined the KPIs, as applicable, in “***Definitions and Abbreviations - Technical/ Industry Related Abbreviations***” on page 14.

## IV. Comparison of Key Performance Indicators with listed industry peers

Set forth below is a comparison of our KPIs with our peer company listed in India:

**For six months ended September 30, 2024**

| Sr No | Particulars | Units | Ardee Engineering Limited | Pennar Industries Limited | Everest Industries Limited | Capacit'e Infraprojects Limited | PSP Projects Limited | Ahluwalia Contracts (India) Limited | ISGEC Heavy Engineering Limited | Interarch Building Products Limited |
|---|---|---|---|---|---|---|---|---|---|---|
| | ***Financial KPIs*** | | | | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 2,882.82 | 14,810.60 | 8,991.59 | 10,877.22 | 12,090.28 | 19,308.29 | 31,835.80 | 6,267.00 |
| 2. | Closing Order Book | ₹ in million | 7,612.81 | 8400+ | NA | 92,030 | 65,460 | 2,48,698 | 70,660 | NA |
| 3. | EBITDA | ₹ in million | 350.59 | 1,601.90 | 358.72 | 2,183.75 | 1,199.10 | 1,565.85 | 2,962.90 | 602.08 |
| 4. | EBITDA Margin | % | 12.11% | 10.72% | 3.96% | 19.82% | 9.85% | 8.02% | 9.21% | 9.49% |
| 5. | Profit after tax (PAT) | ₹ in million | 155.97 | 532.70 | 42.32 | 983.68 | 448.96 | 692.37 | 1,628.70 | 409.50 |
| 6. | PAT Margin | % | 5.39% | 3.56% | 0.47% | 8.93% | 3.69% | 3.54% | 5.06% | 6.45% |
| 7. | Total Equity | ₹ in million | 1,030.97 | 9,319.30 | 6,021.49 | 16,143.71 | 11,976.00 | 16,655.66 | 27,469.80 | 6,763.58 |
| 8. | Net Debt | ₹ in million | 1,654.82 | 6,951.80 | 2,795.28 | 1,924.05 | -55.52 | -6,912.16 | 5,415.20 | -3,656.54 |
| 9. | Net Debt to Total Equity ratio | Times | 1.61x | 0.75x | 0.46x | 0.12x | 0.00x | -0.42x | 0.20x | -0.54x |
| 10. | Net Debt to EBITDA ratio* | Times | 4.72x | 4.34x | 7.79x | 0.88x | -0.05x | -4.41x | 1.83x | -6.07x |
| 11. | Return on Equity (RoE)* | % | 15.13% | 5.72% | 0.70% | 6.09% | 3.75% | 4.16% | 5.93% | 6.05% |
| 12. | Return on Capital Employed (RoCE)* | % | 11.04% | 7.31% | 2.17% | 8.64% | 5.80% | 7.46% | 7.18% | 8.00% |
| | ***Business KPIs*** | | | | | | | | | |
| 13. | Revenue Split by Segment#: | | | | | | | | | |
| | Pre-engineered buildings | ₹ in million | 1,447.20 | NA | NA | NA | NA | NA | NA | NA |
| | Material Handling Systems | ₹ in million | 705.41 | NA | NA | NA | NA | NA | NA | NA |
| | Engineering Services | ₹ in million | 711.90 | NA | NA | NA | NA | NA | NA | NA |

**Not annualised; NA = Not Available; #Does not include Revenue from scrap sales*

**For Fiscal 2024**

| Sr No | Particulars | Units | Ardee Engineering Limited | Pennar Industries Limited | Everest Industries Limited | Capacit'e Infraprojects Limited | PSP Projects Limited | Ahluwalia Contracts (India) Limited | ISGEC Heavy Engineering Limited | Interarch Building Products Limited |
|---|---|---|---|---|---|---|---|---|---|---|
| | ***Financial KPIs*** | | | | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 6,209.90 | 31,305.70 | 15,754.52 | 19,316.38 | 25,057.89 | 38,552.98 | 62,193.37 | 12,933.02 |
| 2. | Closing Order Book | ₹ in million | 7,218.00 | 8,100.00 | NA | 90,110.00 | 60,490.00 | 1,70,102.40 | 79,050.00 | NA |
| 3. | EBITDA | ₹ in million | 606.49 | 3,132.80 | 663.03 | 3,643.74 | 2,846.67 | 6,194.41 | 5,240.79 | 1,260.28 |
| 4. | EBITDA Margin | % | 9.74% | 9.88% | 4.16% | 18.56% | 11.25% | 15.92% | 8.39% | 9.65% |

| Sr No | Particulars | Units | Ardee Engineering Limited | Pennar Industries Limited | Everest Industries Limited | Capacit'e Infraprojects Limited | PSP Projects Limited | Ahluwalia Contracts (India) Limited | ISGEC Heavy Engineering Limited | Interarch Building Products Limited |
|---|---|---|---|---|---|---|---|---|---|---|
| 5. | Profit after tax (PAT) | ₹ in million | 291.05 | 983.50 | 179.98 | 1,203.30 | 1,229.73 | 3,748.26 | 2,548.72 | 862.62 |
| 6. | PAT Margin | % | 4.67% | 3.10% | 1.13% | 6.13% | 4.86% | 9.63% | 4.08% | 6.60% |
| 7. | Total Equity | ₹ in million | 873.11 | 8,774.70 | 5,974.14 | 15,170.75 | 9,148.70 | 15,999.45 | 26,185.39 | 4,446.25 |
| 8. | Net Debt | ₹ in million | 1,605.71 | 6,234.80 | 321.69 | 1,016.00 | 1,869.13 | -7,319.02 | 6,141.34 | -1,261.38 |
| 9. | Net Debt to Total Equity ratio | Times | 1.84x | 0.71x | 0.05x | 0.07x | 0.20x | -0.46x | 0.23x | -0.28x |
| 10. | Net Debt to EBITDA ratio | Times | 2.65x | 1.99x | 0.49x | 0.28x | 0.66x | -1.18x | 1.17x | -1.00x |
| 11. | Return on Equity (RoE) | % | 33.33% | 11.21% | 3.01% | 7.93% | 13.44% | 23.43% | 9.73% | 19.40% |
| 12. | Return on Capital Employed (RoCE) | % | 20.97% | 15.38% | 5.11% | 13.83% | 16.06% | 33.62% | 12.45% | 25.64% |
| | ***Business KPIs*** | | | | | | | | | |
| 13. | Revenue Split by Segment#: | | | | | | | | | |
| | Pre-engineered buildings | ₹ in million | 3,111.75 | NA | NA | NA | NA | NA | NA | NA |
| | Material Handling Systems | ₹ in million | 1,221.21 | NA | NA | NA | NA | NA | NA | NA |
| | Engineering Services | ₹ in million | 1,872.11 | NA | NA | NA | NA | NA | NA | NA |

*NA = Not Available, #Does not include Revenue from scrap sales*

**For Fiscal 2023**

| Sr No | Particulars | Units | Ardee Engineering Limited | Pennar Industries Limited | Everest Industries Limited | Capacit'e Infraprojects Limited | PSP Projects Limited | Ahluwalia Contracts (India) Limited | ISGEC Heavy Engineering Limited | Interarch Building Products Limited |
|---|---|---|---|---|---|---|---|---|---|---|
| | ***Financial KPIs*** | | | | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 3,312.52 | 28,946.20 | 16,476.34 | 17,985.87 | 19,378.06 | 28,383.93 | 63,990.39 | 11,239.26 |
| 2. | Closing Order Book | ₹ in million | 5,828.31 | 8,000.00 | NA | 95,130.00 | 50,520.00 | 1,39,306.70 | 83,210.00 | NA |
| 3. | EBITDA | ₹ in million | 248.59 | 2,546.20 | 1,081.15 | 3,613.76 | 2,523.65 | 3,335.06 | 4,673.18 | 1,188.45 |
| 4. | EBITDA Margin | % | 7.49% | 8.70% | 6.40% | 19.99% | 12.86% | 11.63% | 7.29% | 10.46% |
| 5. | Profit after tax (PAT) | ₹ in million | 109.13 | 754.30 | 423.60 | 952.97 | 1,319.41 | 1,939.77 | 2,055.41 | 814.62 |
| 6. | PAT Margin | % | 3.29% | 2.58% | 2.51% | 5.27% | 6.72% | 6.76% | 3.21% | 7.17% |
| 7. | Total Equity | ₹ in million | 331.31 | 7,789.80 | 5,814.56 | 10,734.52 | 8,009.93 | 12,283.32 | 23,920.97 | 3,992.79 |
| 8. | Net Debt | ₹ in million | 725.75 | 4,938.90 | 986.80 | 1,791.13 | -1,956.67 | -5,910.72 | 10,245.34 | -1,021.48 |
| 9. | Net Debt to Total Equity ratio | Times | 2.19x | 0.63x | 0.17x | 0.17x | -0.24x | -0.48x | 0.43x | -0.26x |
| 10. | Net Debt to EBITDA ratio | Times | 2.92x | 1.94x | 0.91x | 0.50x | -0.78x | -1.77x | 2.19x | -0.86x |
| 11. | Return on Equity (RoE) | % | 32.94% | 9.68% | 7.29% | 8.88% | 16.47% | 15.79% | 8.59% | 20.40% |
| 12. | Return on Capital Employed (RoCE) | % | 16.16% | 13.60% | 11.11% | 15.11% | 22.48% | 23.96% | 10.21% | 26.78% |
| | ***Business KPIs*** | | | | | | | | | |
| 13. | Revenue Split by Segment#: | | | | | | | | | |
| | Pre-engineered buildings | ₹ in million | 1,353.83 | NA | NA | NA | NA | NA | NA | NA |
| | Material Handling Systems | ₹ in million | 1,508.47 | NA | NA | NA | NA | NA | NA | NA |

| Sr No | Particulars | Units | Ardee Engineering Limited | Pennar Industries Limited | Everest Industries Limited | Capacit'e Infraprojects Limited | PSP Projects Limited | Ahluwalia Contracts (India) Limited | ISGEC Heavy Engineering Limited | Interarch Building Products Limited |
|---|---|---|---|---|---|---|---|---|---|---|
| | Engineering Services | ₹ in million | 444.10 | NA | NA | NA | NA | NA | NA | NA |

*NA = Not Available, #Does not include Revenue from scrap sales*

## For Fiscal 2022

| Sr No | Particulars | Units | Ardee Engineering Limited | Pennar Industries Limited | Everest Industries Limited | Capacit'e Infraprojects Limited | PSP Projects Limited | Ahluwalia Contracts (India) Limited | ISGEC Heavy Engineering Limited | Interarch Building Products Limited |
|---|---|---|---|---|---|---|---|---|---|---|
| | ***Financial KPIs*** | | | | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 2,168.64 | 22,657.50 | 13,647.06 | 13,398.28 | 17,480.63 | 26,924.69 | 54,993.43 | 8,349.42 |
| 2. | Closing Order Book | ₹ in million | 3,176.32 | 4,407.60 | NA | 87,020.00 | 43,240.00 | 1,30,336.10 | 73,220.00 | NA |
| 3. | EBITDA | ₹ in million | 90.96 | 1,884.20 | 983.05 | 2,309.29 | 2,805.33 | 2,857.02 | 3,246.17 | 388.04 |
| 4. | EBITDA Margin | % | 4.18% | 8.25% | 7.05% | 17.07% | 15.85% | 10.50% | 5.89% | 4.61% |
| 5. | Profit after tax (PAT) | ₹ in million | 12.86 | 419.10 | 440.85 | 477.57 | 1,666.52 | 1,552.17 | 1,149.85 | 171.34 |
| 6. | PAT Margin | % | 0.59% | 1.84% | 3.16% | 3.53% | 9.42% | 5.70% | 2.09% | 2.04% |
| 7. | Total Equity | ₹ in million | 120.78 | 7,361.30 | 5,422.95 | 9,651.74 | 6,869.59 | 10,351.85 | 22,021.00 | 3,183.19 |
| 8. | Net Debt | ₹ in million | 712.58 | 5,469.20 | -1,105.06 | 1,354.41 | -2,389.89 | -3,984.21 | 10,967.27 | -870.43 |
| 9. | Net Debt to Total Equity ratio | Times | 5.90x | 0.74x | -0.20x | 0.14x | -0.35x | -0.38x | 0.50x | -0.27x |
| 10. | Net Debt to EBITDA ratio | Times | 7.83x | 2.90x | -1.12x | 0.59x | -0.85x | -1.39x | 3.38x | -2.24x |
| 11. | Return on Equity (RoE) | % | 10.65% | 5.69% | 8.13% | 4.95% | 24.26% | 14.99% | 5.22% | 5.38% |
| 12. | Return on Capital Employed (RoCE) | % | 7.80% | 10.19% | 12.27% | 9.97% | 31.64% | 24.37% | 6.63% | 8.35% |
| | ***Business KPIs*** | | | | | | | | | |
| 13. | Revenue Split by Segment#: | | | | | | | | | |
| | Pre-engineered buildings | ₹ in million | 1,556.62 | NA | NA | NA | NA | NA | NA | NA |
| | Material Handling Systems | ₹ in million | 329.35 | NA | NA | NA | NA | NA | NA | NA |
| | Engineering Services | ₹ in million | 282.67 | NA | NA | NA | NA | NA | NA | NA |

*NA = Not Available, #Does not include Revenue from scrap sales*

**Comparison of KPIs based on additions or dispositions to our business**

Our Company has not made any material acquisitions or dispositions to its business during the six months ended September 30, 2024 and during the Fiscals 2024, 2023 and 2022.

**V. Weighted average cost of acquisition, Floor Price and Cap Price**

a) **Price per share of our Company (as adjusted for corporate actions including sub division of equity shares) based on primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, if any, 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-issue capital before such transaction/s and excluding employee stock options granted but not vested, if any), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

Except as disclosed below, the Company has not issued any Equity Shares or convertible securities (excluding Equity Shares issued pursuant to a bonus issue, if any) during the 18 months preceding the date of the DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days:

| Date of allotment | Name of allotee | | Number of equity shares allotted of face value of ₹5 each)(1) | Issue price per equity shares (₹) of face value of ₹5 each(1) | Nature of allotment | Nature of consideration | Total cost (₹ in million) |
|---|---|---|---|---|---|---|---|
| March 28, 2024 | **Name of the allottee** | **Number of equity shares allotted(1)** | 4,000,000 | 125.00 | Rights issue as on the record date i.e. March 22, 2024 | Cash | 250.00 |
| | Chandra Sekhar Moturu | 1,800,000 | | | | | |
| | Ragdeep Moturu | 200,000 | | | | | |
| | **Total** | **2,000,000** | | | | | |

(1) *As adjusted for sub-division. Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each.*

b) **Price per share of the Company (as adjusted for corporate actions including sub division of equity shares) based on secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities, Promoter Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the 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 the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested, if any), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

There have been no secondary sales / acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Promoter Selling Shareholder or Shareholder(s) having the right to nominate director(s) on our Board 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 paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) **If there were no primary or secondary transactions as per (a) and (b) above, price per share (as adjusted for corporate actions including sub division of equity shares) based on the last five primary**

**or secondary transactions (secondary transactions where promoter /promoter group entities or Promoter Selling Shareholder or shareholder(s) having the right to nominate director(s) on the Board, are a party to the transaction), during the last three years preceding to the date of the Draft Red Herring Prospectus irrespective of the size of the transaction**

i) **Based on Primary Transactions**: Not Applicable.

ii) **Based on Secondary Transactions:** Not Applicable.

**VI. Weighted average cost of acquisition ("WACA"), floor price and cap price**

| **Past transactions** | **Weighted average cost of acquisition per Equity Share (₹)(1)(2)** | **Floor Price (₹)(3)** | **Cap Price (₹)(3)** |
|---|---|---|---|
| Weighted average cost of acquisition of Primary Issuances | 125.00 | [●] times | [●] times |
| Weighted average cost of acquisition of Secondary Transactions | N.A. | [●] times | [●] times |

(1) *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*
(2) *As adjusted for sub-division. Pursuant to resolutions passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each.*
(3) *To be updated at the Prospectus stage.*

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

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

**VIII. Detailed explanation for Offer Price/ Cap Price being [●] times of WACA of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022**

[●]*
* *To be included on finalisation of Price Band.*

**IX. Explanation for the Offer Price/Cap Price, being [●] times of WACA of primary issuances/secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Issue.**

[●]*
* *To be included on finalisation of Price Band.*

Investors should read the above-mentioned information along with "***Risk Factors***", "***Our Business***", "***Restated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Revenue from Operations***" beginning on pages 33, 219, 287 and 343, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section "***Risk Factors***" beginning on page 33 and any other factors that may arise in the future and you may lose all or part of your investment.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
**Ardee Engineering Limited**
(*Formerly known as Ardee Engineering Private Limited*)
CIN: U29100TG2020PLC141953
8-2-334/K/1, Flat Nos. 101, 102 and 103 Aditya Court
Road No. 5, Banjara Hills
Hyderabad 500 034
Telangana, India

**Sub: Statement of possible special tax benefits available to Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) (the "Issuer" or the "Company") and 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 C & Associates LLP (Formerly known as M S K C & Associates) and C. Venkat Krishna & Co, Chartered Accountants (collectively 'we' or 'us' or "our" or 'Firms'), joint statutory auditors of the Company, hereby confirm the enclosed statement in the Annexure prepared and issued by the Company (the "Statement"), which provides the possible special tax benefits under direct and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017 (CGST Act), the Integrated Goods and Services Tax Act, 2017 (IGST Act), the Union Territory Goods and Services Tax Act, 2017 (UTGST), respective State Goods and Services Tax Act, 2017 (SGST Acts), Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, the Union Territory Goods and Services Tax Rules, 2017, respective State Goods and Services Tax Rules, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 (Collectively called as 'GST Laws'), The Customs Act, 1962, The Customs Tariff Act, 1975 and the Foreign Trade Policy (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024 and Finance (No.2) Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. 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 possible 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 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. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

4. 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 proposed initial public offering of the 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.

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

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

8. 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.

9. 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.

10. 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.

11. This Statement is addressed to Board of Directors of the Company and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the draft red herring prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and the stock exchanges where the Equity Shares are proposed to be listed and any other material in connection with the proposed initial public offering of equity shares of the Company, 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 certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For C Venkat Krishna & Co
Chartered Accountants
Firm Registration No. 004599S

For M S K C & Associates LLP
(*Formerly known as M S K C & Associates*)
Chartered Accountants
Firm Registration No. 001595S/S000168

P.V.N Sastry
Partner
M. No: 029098
UDIN : 25029098BMIUAO3465

Place: Hyderabad
Date: March 27, 2025

Tarun Kumar Jain
Partner
M. No: 231741
UDIN : 25231741BMLKZL3771

Place: Hyderabad
Date: March 27, 2025

**Enclosure: Annexure A**

## Annexure A

**Statement of possible special tax benefits available to Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) ('the Company') and its Shareholders**

**Direct Taxation**

This statement of possible special direct tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). This statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2024 and Finance (No.2) Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force.

**1. Special Income tax benefits available to the Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) ('the Company') in India under the Income-tax Act, 1961 ('Act')**

- Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions/exemptions or set-off of losses and depreciation as provided under clause (ii) and clause (iii) of sub-section (2) of section 115BAA of the Act and claiming depreciation determined in the prescribed manner. In case a company opts for paying tax as per section 115BAA, provisions of section 115JB, i.e., Minimum Alternate Tax ('MAT') would not be applicable on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act, and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

- The Company has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2020-21 relevant to the Assessment Year 2021-22 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2020-21 relevant to the Assessment Year 2021-22 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Company has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.

- Subject to the fulfilment of prescribed conditions, for the year, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where the Company wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

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

**2. Special direct tax benefits available to the Shareholders of Company under the Act**

- Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified supra.

**Indirect Taxation**

**This statement of possible special indirect tax benefits is required as per paragraph (9)(L) of Part A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.**

Outlined below are the possible tax benefits available to the Company, its shareholders under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 (CGST Act) / the Integrated Goods and Services Tax Act, 2017 (IGST Act) and applicable State Goods and Services Tax Act, 2017 (SGST Acts) / the Union Territory Goods and Services Tax Act, 2017 (UTGST Act) and the Goods and Services Tax (Compensation to States) Act, 2017 ("collectively referred as GST Laws"), and the respective Rules, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Customs Tariff Act"), as amended by the Finance Act, 2024 and Finance (No.2) Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 and Foreign Trade Policy, 2023, presently in force in India.

**UNDER THE INDIRECT TAX LAWS**

**BENEFITS TO THE COMPANY, AND ITS SHAREHOLDERS UNDER VARIOUS INDIRECT TAX LAWS:**

1. **Special tax benefits available to the Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) ('the Company') in India under the GST Laws.**

   - The Company has eight active GSTINs operating in the states of Kerala, Chhattisgarh, Madhya Pradesh, Telangana, Karnataka, Maharashtra, Goa and Andhra Pradesh.
   - The Company is eligible to avail the benefit of Input Tax Credit (ITC) on the GST paid on certain procurements, subject to fulfilment of prescribed conditions under the GST Laws.

2. **Special Tax Benefits available to the Shareholders of the Company**

   - The shareholders of the Company are not required to discharge any GST on the 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.

   - Apart from the above, the shareholders of the Company are not eligible for any other special tax benefits under the provisions of Customs Act, Customs Tariff Act, GST Laws, 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 **Ardee Engineering Limited**
(***Formerly known as Ardee Engineering Private Limited***)

**Krishna Kumari Moturu**
Executive Director and Chief Financial Officer

Date: March 27, 2025
Place: Hyderabad.

## SECTION IV – ABOUT OUR COMPANY

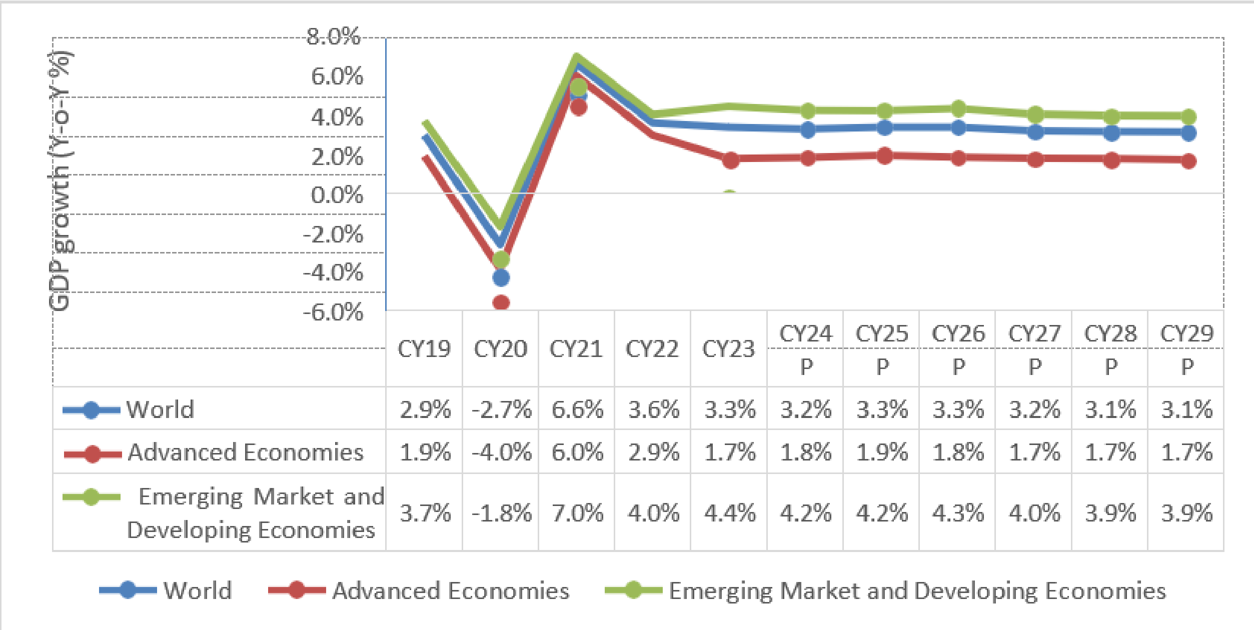
## INDUSTRY OVERVIEW

Economic Outlook

Global Economy

Global growth, which reached 3.3% in CY23, is projected to stabilize at 3.2% for CY24 and 3.3% for CY25. The outlook for global real GDP growth indicates potential improvement as cyclical imbalances ease, bringing economic activity in major economies closer to their potential output. While global disinflation progresses, risks remain, particularly from financial market volatility and geopolitical tensions that could disrupt trade and increase commodity prices. Nonetheless, stronger public investment in advanced economies aimed at infrastructure and the green transition may stimulate private sector investment and bolster global demand. Additionally, accelerating structural reforms in both advanced and emerging markets could enhance productivity and support medium-term growth.

**Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)**




| | CY19 | CY20 | CY21 | CY22 | CY23 | CY24 P | CY25 P | CY26 P | CY27 P | CY28 P | CY29 P |
|---|---|---|---|---|---|---|---|---|---|---|---|
| World | 2.9% | -2.7% | 6.6% | 3.6% | 3.3% | 3.2% | 3.3% | 3.3% | 3.2% | 3.1% | 3.1% |
| Advanced Economies | 1.9% | -4.0% | 6.0% | 2.9% | 1.7% | 1.8% | 1.9% | 1.8% | 1.7% | 1.7% | 1.7% |
| Emerging Market and Developing Economies | 3.7% | -1.8% | 7.0% | 4.0% | 4.4% | 4.2% | 4.2% | 4.3% | 4.0% | 3.9% | 3.9% |

*Notes: P-Projection; Source: IMF – World Economic Outlook, January 2025*

**Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in%)**

| | Real GDP (Y-o-Y change in %) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CY20 | CY21 | CY22 | CY23 | CY24P | CY25P | CY26P | CY27P | CY28P | CY29P |
| India | -5.8 | 9.7 | 7.0 | 8.2 | 7.0 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| China | 2.2 | 8.4 | 3.0 | 5.3 | 4.8 | 4.6 | 4.5 | 3.6 | 3.4 | 3.3 |
| Indonesia | -2.1 | 3.7 | 5.3 | 5.0 | 5.0 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 |
| Saudi Arabia | -3.6 | 5.1 | 7.5 | -0.8 | 1.5 | 3.3 | 4.1 | 3.6 | 3.5 | 3.5 |
| Brazil | -3.3 | 4.8 | 3.0 | 2.9 | 3.0 | 2.2 | 2.2 | 2.4 | 2.5 | 2.5 |
| Euro Area | -6.1 | 6.2 | 3.3 | 0.4 | 0.8 | 1.0 | 1.4 | 1.4 | 1.3 | 1.2 |
| United States | -2.2 | 6.1 | 2.5 | 2.9 | 2.8 | 2.7 | 2.1 | 2.1 | 2.1 | 2.1 |

*P- Projections; Source: IMF- World Economic Outlook Database (October 2024, January 2025)*

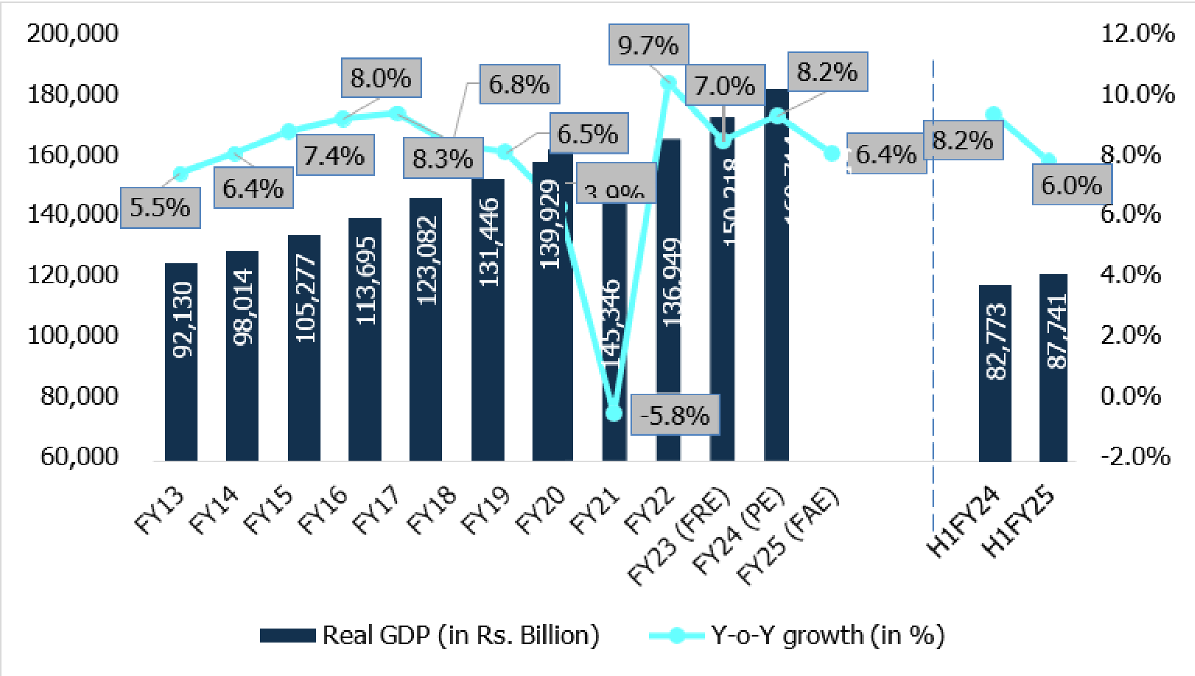
*Note: CY20-CY26 data is taken from January 2025 IMF WEO report, while CY27-CY29 data is taken from October 2024 database, as this update is yet to come. India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23.*

**Indian Economic Outlook**

GDP Growth and Outlook

**Resilience to External Shocks remains Critical for Near-Term Outlook**

**Chart 2: Trend in Real Indian GDP growth rate**




*Note: FRE – First Revised Estimates, PE – Provisional Estimate, FAE- First Advance Estimates; Source: MOSPI*

India's real GDP grew by 8.2% in FY24 (Rs. 173,817 billion) and is estimated to grow 6.4% in FY25 (Rs. 184,884 billion), driven by strong domestic demand, particularly investment. In H1FY25, GDP grew 6.0% YoY, with private consumption increasing by 6.7% and government spending contracting by 2.0%.

**GDP Growth Outlook**

- **FY26 GDP Outlook:** Real GDP growth is projected at 6.7%, balanced risks, driven by rural demand, improving employment, and robust business activity, despite global uncertainties.

- **FY25 GDP Performance:** Real GDP growth for the current year is estimated at 6.4%, with a gradual recovery expected in the coming year driven by strong agricultural activity, improving manufacturing, and resilient services, despite a slight dip in PMI services.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its February 2025 monetary policy, has projected real GDP growth at 6.7% y-o-y for FY26.

**Table 2: RBI's GDP Growth Outlook (Y-o-Y %)**

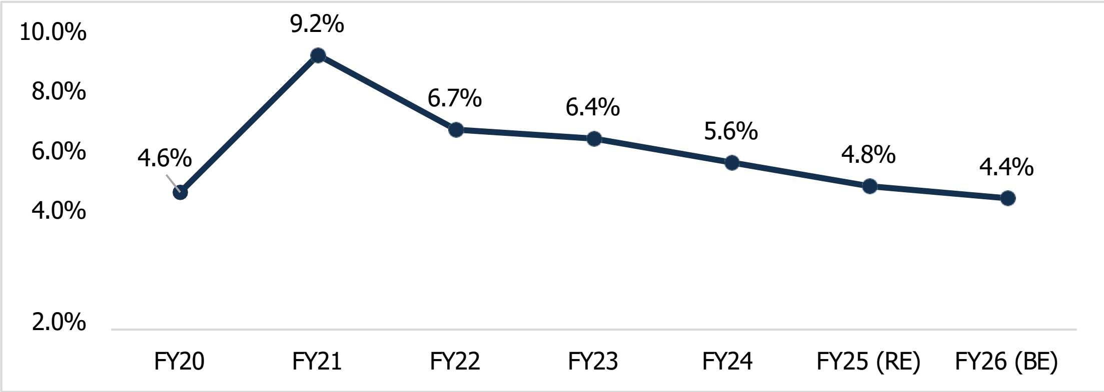
| FY26P (complete year) | Q1FY26P | Q2FY26P | Q3FY26P | Q4FY26P |
|---|---|---|---|---|
| 6.7% | 6.7% | 7.0% | 6.5% | 6.5% |

*Note: P-Projected; Source: Reserve Bank of India*

Fiscal Deficit (as a % of GDP)

In FY21, India's fiscal deficit was 9.2% due to the impact of COVID-19, but by FY25 (RE), it is expected to reduce to 4.8% of GDP, driven by strong economic growth and higher tax and non-tax revenues. The government aims for further fiscal consolidation, setting a target of 4.4% of GDP for FY26 to maintain fiscal prudence.

**Chart 3: Gross Fiscal Deficit (% of GDP)**

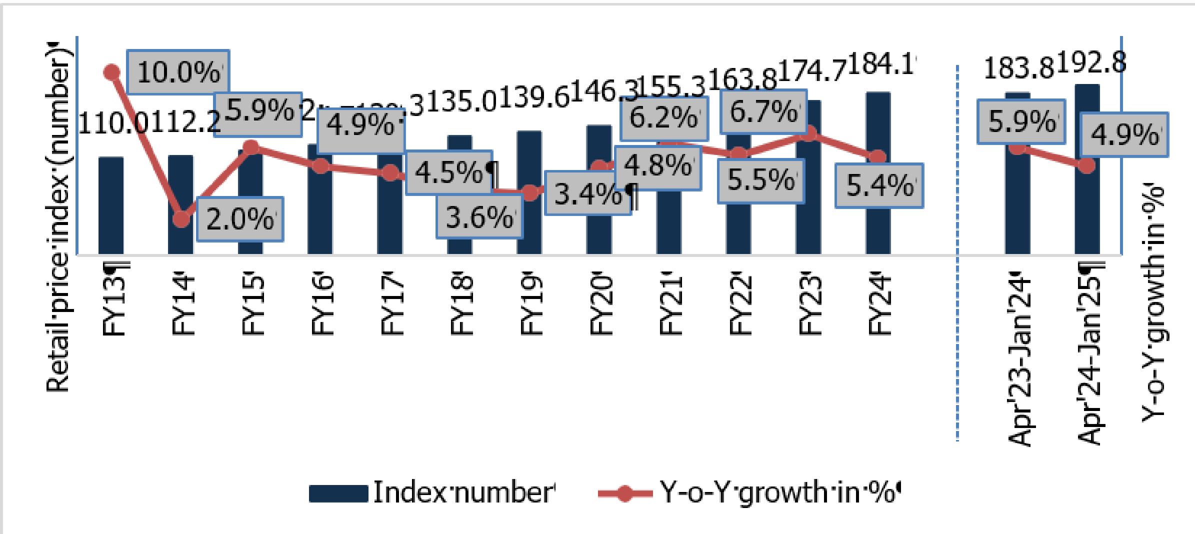



*Note: RE-Revised Estimates, BE-Budget Estimates; Source: RBI*

Consumer Price Index

The CPI (general) and food inflation in January 2025 was the lowest in Y-o-Y inflation after August 2024. CPI moderation was driven by decline in inflation in Vegetables, Eggs, Pulses, Education, Clothing, Health and Cereals etc.

**Chart 4: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)**

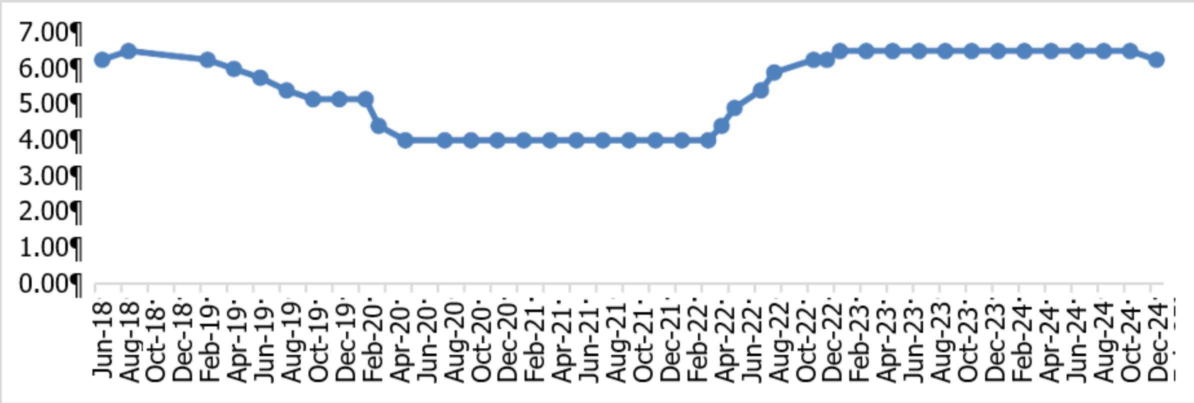



*Source: MOSPI*

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi- monthly meeting held in February 2025, RBI projected inflation at 4.2% for FY25 with inflation during Q1FY26 at 4.2%, Q2FY25 at 4.5%, Q1FY26 at 4.6%, and Q3FY26 at 3.8% and Q4FY26 4.2%.

Considering the current inflation situation, RBI has cut the repo rate to 6.25% in the February 2025 meeting of the Monetary Policy Committee.

**Chart 5: RBI historical Repo Rate**




*Source: RBI*

Further, the central bank continued its stance to be neutral. While headline inflation saw a sharp pick up due to increase in food inflation in October, it has moderated in December and January. The growth outlook is expected to be resilient but with close monitoring with the Indian ruppee coming under depreciation in the current months. Core inflation is expected to rise but remain moderate. Domestic growth remains strong, driven by private consumption and investment, allowing the MPC to focus on bringing inflation down to the 4% target. As a result, the MPC decided to adopt a 'neutral' stance, monitoring inflation while supporting growth.

GVA in the Industrial Sector

Gross Fixed Capital Formation (GFCF) is a measure of the net increase in physical assets. In FY23, the ratio of investment (GFCF) to GDP remained flat, as compared to FY22, at 33.3%. Continuing in its growth trend by a margin, this ratio has reached 33.5% in FY24 and 30.1% in FY25. In H1FY25, GFCF as a proportion in GDP, reached 31.0% as compared to 31.4% in H1FY24 mainly reflecting growth in private investment.

**Table 3: Industrial sector growth (Y-o-Y growth) -at Constant Prices**

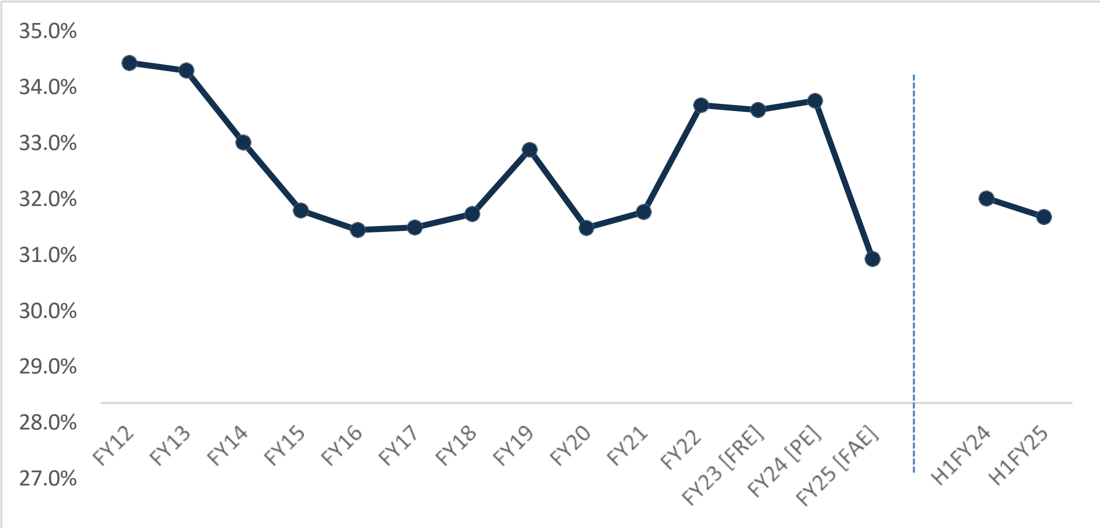
| At constant Prices | FY19 | FY20 | FY21 | FY22 | FY23 (FRE) | FY24 (PE) | FY25 (FAE) | H1FY2 4 | H1FY2 5 |
|---|---|---|---|---|---|---|---|---|---|
| Industrial sector | 5.3 | -1.4 | -0.9 | 11.6 | 2.1 | 9.5 | 6.2 | 9.7 | 6.0 |
| **GVA at Basic Price** | **5.8** | **3.9** | **-4.2** | **8.8** | **6.7** | **7.2** | **6.4** | **8.0** | **6.2** |

*Note: FRE – First Revised Estimates, PE – Provisional Estimate, FAE- First Advance Estimates; Source: MOSPI*

Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF) is a measure of the net increase in physical assets. In FY23, the ratio of investment (GFCF) to GDP remained flat, as compared to FY22, at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24. In H1FY25, GFCF as a proportion in GDP, reached 31.0% as compared to 31.4% in H1FY24 mainly reflecting growth in private investment.

**Chart 6: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices)**




*Note: FRE- First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI*

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

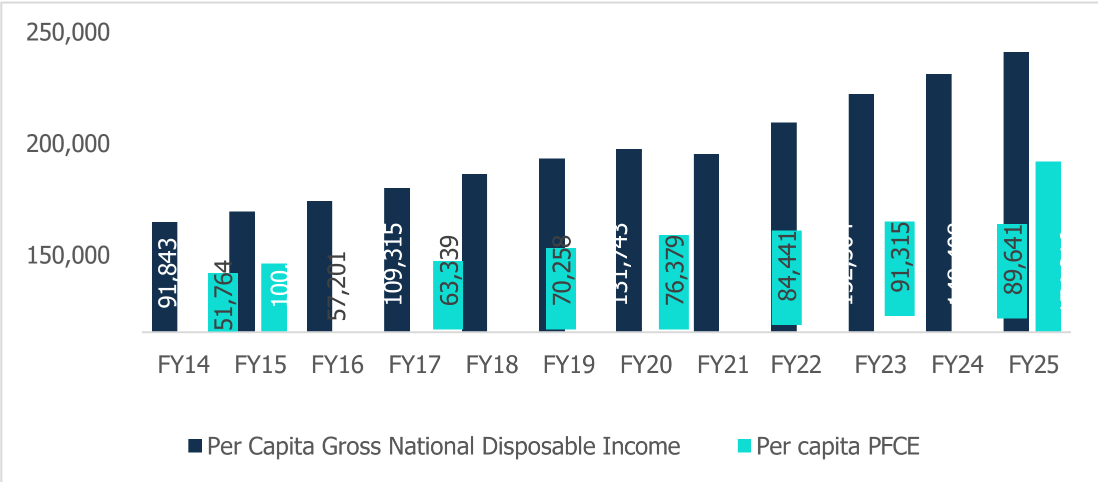
Per capita PFCE and GNDI

**Increasing Disposable Income and Consumer Spending**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY25, per capita GNDI at current prices registered a CAGR of 8.85%. More disposable income drives more consumption, thereby driving economic growth.

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth from FY14 to FY25 at a CAGR of 9.63%.

**Chart 7: Trend of Per Capita GNDI and Per Capita PFCE (Current Price)**




*Note: FAE- First Advance Estimates, FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI*

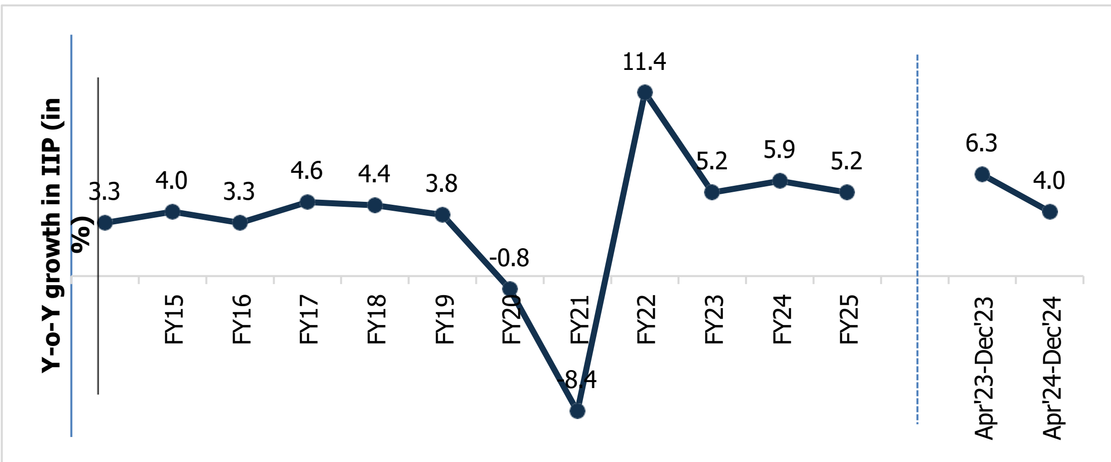
**Industrial Growth**

**Improved Core and Capital Goods Sectors helped IIP Growth Momentum**

The slowdown in industrial output from April to December 2024 was primarily due to weaker growth in manufacturing, despite strong government infrastructure spending and rising private investment. Key contributors to growth in December 2024 were primary goods, infrastructure/ construction goods and intermediate goods. The manufacturing sector's decline was influenced by reduced production in sectors like basic metals, electrical equipment, and petroleum products.

Manufacturing growth was driven by basic metals, electrical equipment, and coke and refined petroleum products. While government spending and private investment support growth, declining consumer non- durables and improving rural demand highlight the need for sustained consumption and investment.

**Chart 8: Y-o-Y growth in IIP (in %)**



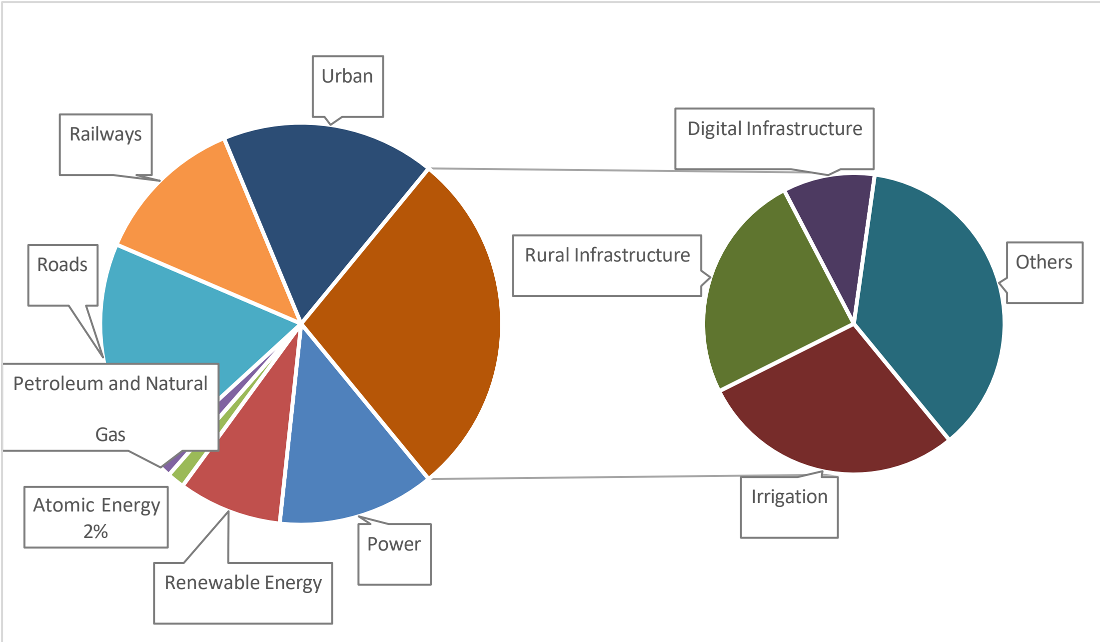

*Source: MOSPI*

National Infrastructure Pipeline

NIP was launched in December 2019 with a focus on infrastructure development to enable the country to achieve its target of USD 5 trillion economy by FY25 and USD 10 trillion by FY30. Infrastructure to play a major role with 3% contribution to the GDP by FY25 (Rs 11.21 lakh crore) and is expected to remain same or increase its share by FY30 (Rs 25.00 lakh crore).

A taskforce was created to set up the pipeline. In the final report submitted by the task force in April 2020, the pipeline covers multiple sectors, such as urban infrastructure, renewable and conventional energy, roads and railways that constitute nearly 71% of the projected total capex of Rs 11.21 lakh crore. It also includes investments in other sectors such as rural infrastructure, ports, airports among others. The proposed investments will be implemented by both the government and the private sector.

**Chart 9: National Infrastructure Pipeline Sectoral Split (%)**



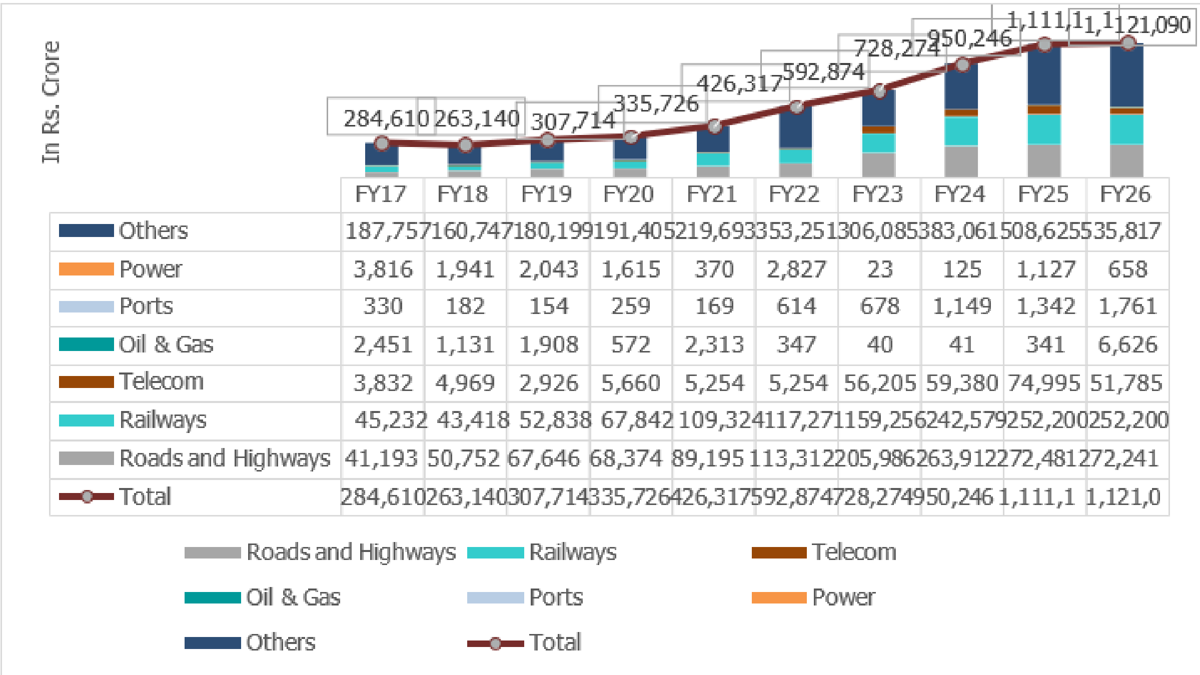

*Source: NITI Aayog's report on National Infrastructure Pipeline*

During FY20–25, sectors-wise breakup of NIP investment is with energy contributing the highest at Rs 26,900 billion around 24% of the total plan followed by roads Rs. 20,338 billion at 18%, urban Rs. 19,193 billion at 17%, and railways with an investment of Rs. 13,676 billion, which contributes 12% amount to ~71% of the projected infrastructure investments in India.

Budgetary expenditure on Infrastructure

With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities, which will not only cater to the growing demand but will also ensure competitiveness in the global market.

**Chart 10: Budgetary outlay towards infrastructure**




| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|---|---|---|
| Others | 187,757 | 160,747 | 180,199 | 191,405 | 219,693 | 353,251 | 306,085 | 383,061 | 508,625 | 535,817 |
| Power | 3,816 | 1,941 | 2,043 | 1,615 | 370 | 2,827 | 23 | 125 | 1,127 | 658 |
| Ports | 330 | 182 | 154 | 259 | 169 | 614 | 678 | 1,149 | 1,342 | 1,761 |
| Oil & Gas | 2,451 | 1,131 | 1,908 | 572 | 2,313 | 347 | 40 | 41 | 341 | 6,626 |
| Telecom | 3,832 | 4,969 | 2,926 | 5,660 | 5,254 | 5,254 | 56,205 | 59,380 | 74,995 | 51,785 |
| Railways | 45,232 | 43,418 | 52,838 | 67,842 | 109,324 | 117,271 | 159,256 | 242,579 | 252,200 | 252,200 |
| Roads and Highways | 41,193 | 50,752 | 67,646 | 68,374 | 89,195 | 113,312 | 205,986 | 263,912 | 272,481 | 272,241 |
| Total | 284,610 | 263,140 | 307,714 | 335,726 | 426,317 | 592,874 | 728,274 | 950,246 | 1,111,1 | 1,121,0 |

*Source: Union Budget FY26 document*

Some of the key government infrastructure schemes include:

- The government has announced plans for the National Monetization Pipeline (NMP) and Development Finance Institution (DFI) to improve the financing of infrastructure projects
- The government has helped the growth of urbanization through a number of schemes and projects, including the **Smart Cities Mission,** the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT),** and the **Pradhan Mantri Awas Yojana (Urban)**

Overview of rise in steel consumption in India

Steel is used in industries like energy, construction, automotive, transportation, infrastructure, packaging, and machinery. There was a strong recovery in finished steel consumption post-COVID-19. In developed economies like the USA, Europe, Japan, and South Korea, the demand was driven by the automotive and durable goods sectors.

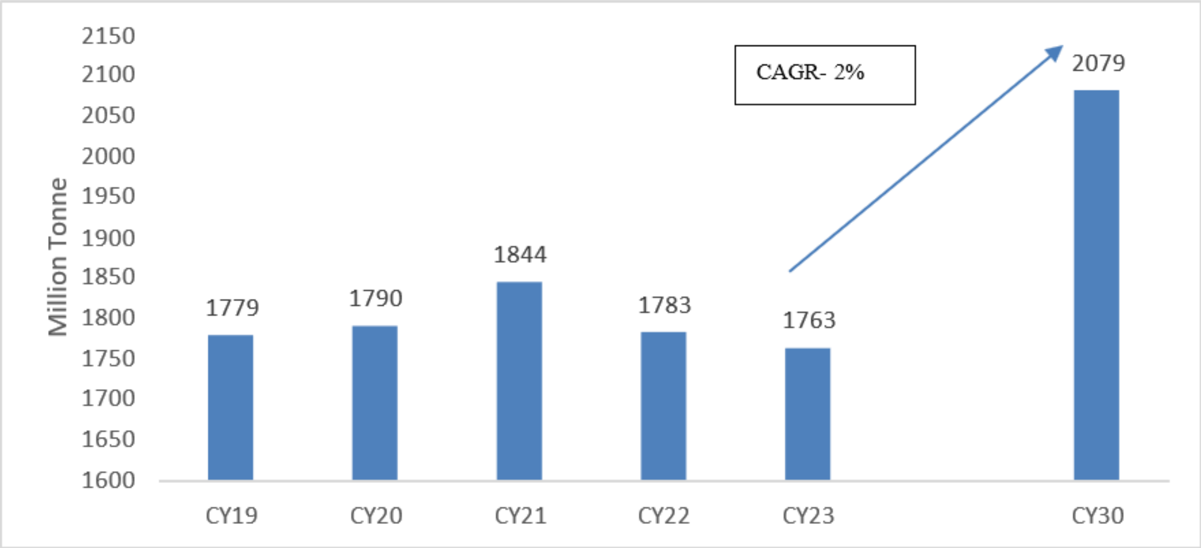
The global finished steel consumption has increased at a CAGR of 1.8% from 1,779 MT in CY19 to 1,844 MT in CY21. During the period CY21-CY23, it declined at a CAGR of 2.2% to 1,763 MT in CY23.

The global consumption of finished steel declined by 3.3% y-o-y in CY22, because global production was affected due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures which raised input costs, and disruptions in supply chain due to the Russia-Ukraine war.

Further, the finished steel consumption in China was reduced on account of movement restrictions and lockdowns brought by COVID-19, environmental concerns, and the target to lower carbon emissions. However, government support is expected to aid in the recovery of demand with the resumption of construction and real estate activities.

Moreover, the consumption of finished steel in India has been robust given increased investments in infrastructure and policy support by the government. Despite the inflationary pressures and uncertainties around the global economy, India witnessed a healthy demand from auto, consumer durables, capital goods, and real estate sectors. Further, the finished steel demand fell by 1.1% y-o-y in CY23 globally. While India showed resilience in terms of growth in steel demand, regions like EU, United States, and China faced a downturn in steel demand. The steel demand is expected to grow by 2% till CY30 to reach 2,079 Million tonnes.

**Chart 11: Global Steel Demand**




*Source: World Steel Association, IEA, CareEdge Research*

Overview of construction capex in India

**Construction capex in India**

India's economic growth is fuelled by a diverse range of sectors, of which infrastructure is a vital sector. The Indian infrastructure contributes around 5% to the GDP as of FY24. In recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure. There have also been efforts to attract foreign investors in the infrastructure sector through policy reforms.

Further, infrastructure projects are often expensive and have a long gestation period. To address this issue, fundraising and generating returns, the government is continuously striving to create a favourable operating environment for its players. Accordingly, national, and state-level agencies like the National Highways Authority of India (NHAI), state-level bodies, and private sector companies (both domestic and international), are actively participating in infrastructure development.

The key sectors which are the recipient of good budget allocation in FY24-25 budget allocation are roads, power plants, affordable housing, and public infrastructure. The growth in these sectors is expected to drive the construction sector in India.

Key Capex announcement by the Government of India is-

| | Budget Announcement | Capital Expenditure (Rs. Billion) |
|---|---|---|
| **1.** | Infrastructure sector | 11,110 |
| **2.** | PM Awas Yojana Urban 2.0 | 10,000 |
| **3** | Road Connectivity Projects | 260 |
| **4** | Power Sector | 214 |

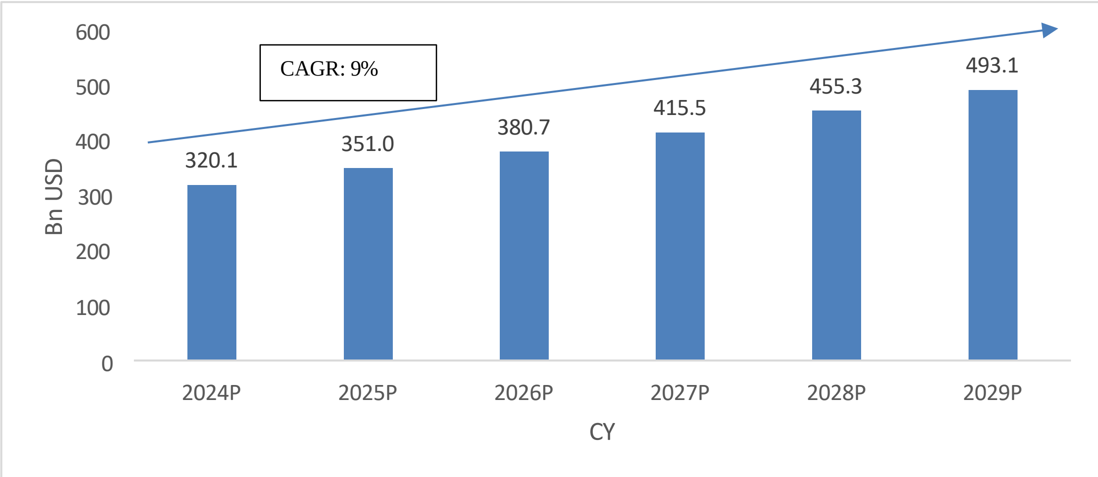
*Source: Ministry of Finance*

The construction industry in India is one of the largest and most important sectors in the country, playing a key role in driving economic growth, employment, and infrastructure development. It encompasses a wide range of activities including residential, commercial, industrial, and infrastructure projects, such as roads, bridges, railways, airports, and utilities.

The industry's growth is supported by government initiatives such as the Housing for All scheme and the Smart Cities Mission, which aim to enhance urban infrastructure and provide affordable housing. Despite facing challenges like land acquisition, labour issues, and financing constraints, the sector is poised for continued growth, driven by technological advancements and ongoing investments in infrastructure development.

The capital expenditure in India's construction sector has seen significant growth, reflecting the government's commitment to infrastructure development. Moreover, the National Infrastructure Pipeline (NIP) aims for ₹111 trillion (about USD 1.5 trillion) investment in infrastructure projects by 2025, with an expected capex of around ₹30 trillion (approximately USD 363 billion) in the construction sector alone. Private sector participation is also on the rise, with a projected increase in capex from around 25% in previous years to nearly 40% by 2025, indicating growing confidence among investors. Overall, the construction sector's capex is pivotal in driving India's economic growth, with expectations of a CAGR of around 9% in the coming years.

**Chart 12: Projected Market Size of Construction Market in India**



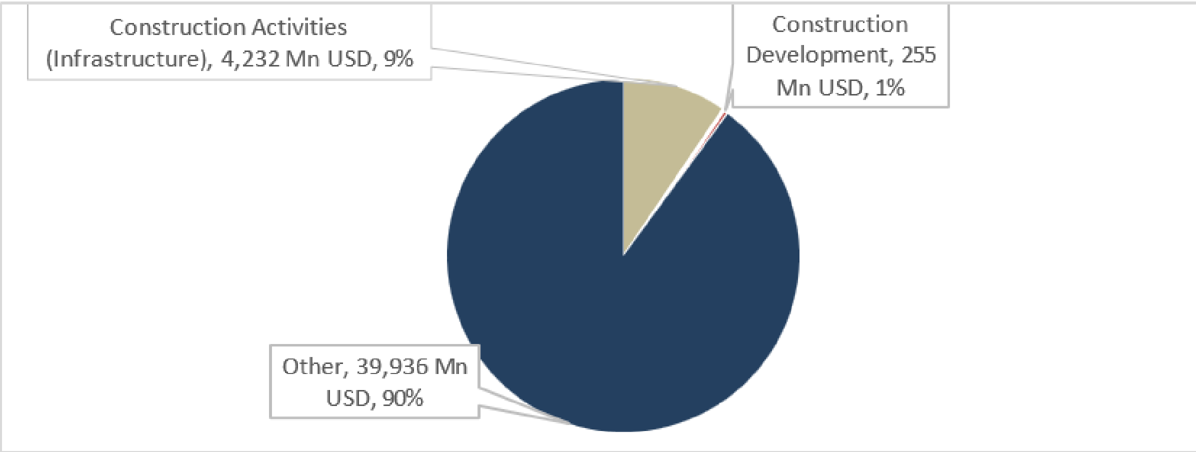

*Source: Maia Research, CareEdge Research*

FDI inflows in Industry

Foreign Direct Investment (FDI) plays a pivotal role in shaping the economic landscape and fostering innovation in both developed as well as developing economies. It facilitates global value chains across countries. According to the World Investment Report, 2024 (issued by the United Nations), India and the Association of Southeast Asian Nations were the most buoyant recipients of FDI with an increase of ~10% and ~5%, respectively, in CY22. However, there has been a slight decrease in the FDI inflow in recent years.

The FDI inflow in India has witnessed substantial growth in the past decade. However, in FY24, the FDI equity inflow fell by 22% due to a decline in inflows from traditional sources like Mauritius, USA, and Cayman Island. At the same time, inflows from UAE, Cyprus, and the Netherlands had increased. Broadly, this decline can be attributed to global economic slowdown and hikes in rates by US federals and other central banks.

**Chart 13: FDI Equity Inflow in Construction Sector FY24 (Total- 44,423 Mn USD)**

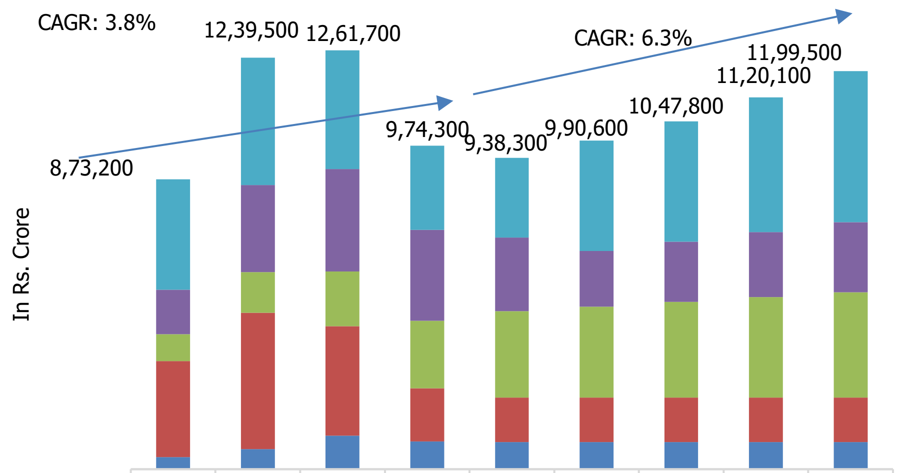



*Note: Construction Development includes Townships, Housing, Built-Up Infrastructure and Construction-Development Projects; others include the sectors which have FDI inflow other than construction sector.*
*Source: Department for Promotion of Industry and Internal Trade (DPIIT)*

Investment Trend in Infrastructure in India

The investment trend in infrastructure in India has been witnessing significant growth, driven by both public and private sector initiatives. In recent years, the government has prioritized infrastructure development through key policies such as the National Infrastructure Pipeline (NIP) and the Gati Shakti National Master Plan. These efforts have focused on improving transportation networks, energy distribution, housing, and urban infrastructure. The growing demand for smart cities, renewable energy projects, and digital infrastructure has attracted substantial private investment. Additionally, the expansion of the capital market has facilitated financing options for large-scale infrastructure projects, fostering public-private partnerships. Foreign direct investment (FDI) in the infrastructure sector has also been rising, further enhancing the sector's potential. With an increasing emphasis on sustainable development and green infrastructure, India is poised to see a long-term boost in infrastructure investments, contributing to its economic growth and global competitiveness.

**Chart 14: Continued High Investment Momentum in Indian Key Infrastructure Sectors**

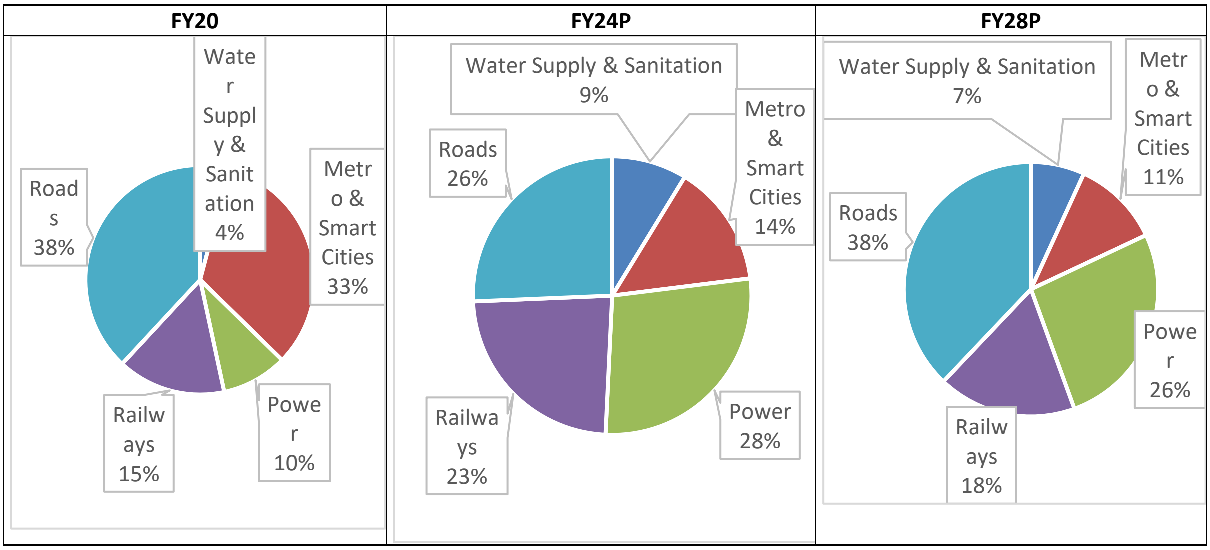



| | FY20 | FY21 | FY22 | FY23 | FY24P | FY25P | FY26P | FY27P | FY28P |
|---|---|---|---|---|---|---|---|---|---|
| Roads | 332,600 | 383,300 | 357,000 | 252,800 | 240,800 | 332,700 | 362,600 | 406,100 | 454,800 |
| Railways | 133,400 | 262,500 | 308,800 | 273,800 | 221,200 | 167,900 | 181,300 | 195,800 | 211,500 |
| Power | 81,200 | 122,700 | 164,900 | 203,700 | 260,300 | 274,000 | 287,900 | 302,200 | 317,200 |
| Metro & Smart Cities | 290,000 | 410,000 | 330,000 | 160,000 | 134,000 | 134,000 | 134,000 | 134,000 | 134,000 |
| Water Supply & Sanitation | 36,000 | 61,000 | 101,000 | 84,000 | 82,000 | 82,000 | 82,000 | 82,000 | 82,000 |



*Source: CareEdge Research, NITI Aayog, NIP*
*Note: The projections are based on our estimations for multiple sectors which have been derived from respective government department sources.*

**Chart 15: Percentage allocation sector-wise**




*Source: CareEdge Research, NITI Aayog, NIP*

Overview of Construction industry in India

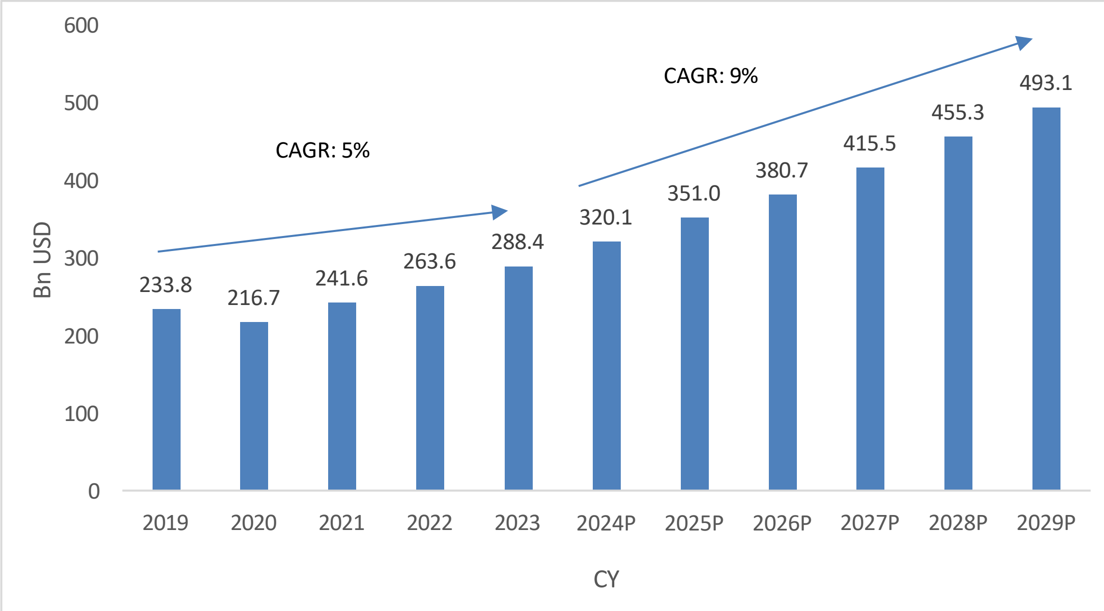
**Conventional construction method vs PEB construction method**

| | Pre- Engineered Building Construction | Conventional Buildings Construction |
|---|---|---|
| **Weight** | Lighter (20-30%) due to optimized use of steel in built-up sections. | Heavier due to the use of hot-rolled steel sections |
| **Structural Integrity** | High, due to factory-controlled quality of components and precise engineering. | Depends on the quality of on-site workmanship and materials. |
| **Customized Design** | Limited to pre-designed components but offers flexibility within the system. | Complete design freedom to create unique structures. |
| **Foundation** | Requires a simpler and lighter foundation due to the lighter weight of the building. | Needs a more substantial foundation to support the heavier structure. |
| **Erection Process** | Faster and easier | Slower and more Labour-intensive |
| **Material Source** | The primary material is steel with assorted options for cladding and roofing. Usually, a single material source is responsible. | Several materials, including steel, concrete, wood, and masonry, can be used in conventional construction, usually involving multiple vendors. |
| **Natural Disaster Resistance** | Designed to withstand seismic activity with lightweight and flexible components. | Cannot withstand seismic activity but can be made to do so with additional reinforcement. |
| **Suitable For** | Warehouses, industrial buildings, retail spaces, large open-span structures. | A wider range of applications, including residential, commercial, institutional, and complex projects. |

Market Share in total construction in India

The total construction market in India totalled to USD 288.4 Bn in CY23 growing at a CAGR of 5% from CY19 and is expected to grow at a CAGR of 9% from CY24 to CY29.

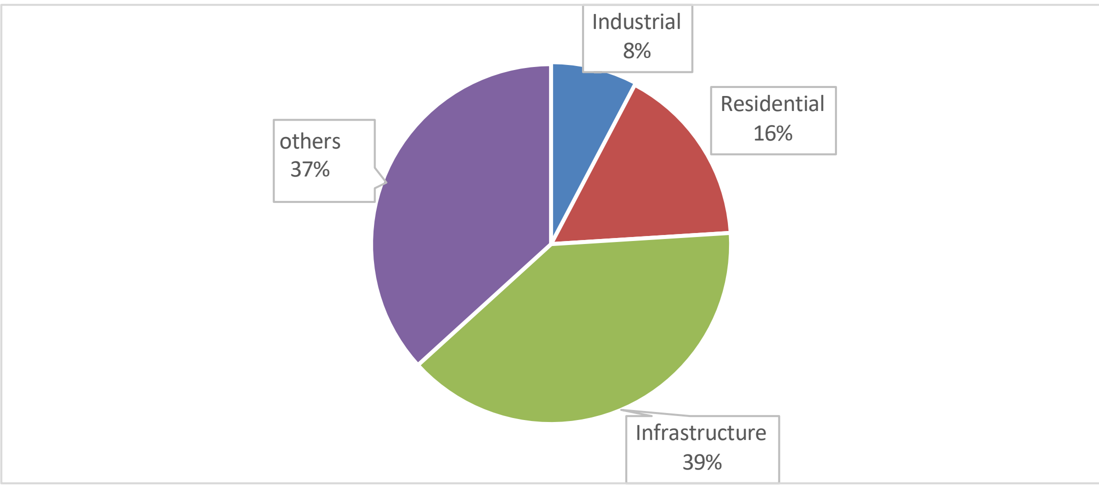
**Chart 16: Market Size of Total construction industry in India**




*Source: Maia Research, CareEdge Research*

Infrastructure Sector consists of 39% of the total construction market in CY23 followed by residential and industrial.

**Chart 17: Market Share (CY23)**



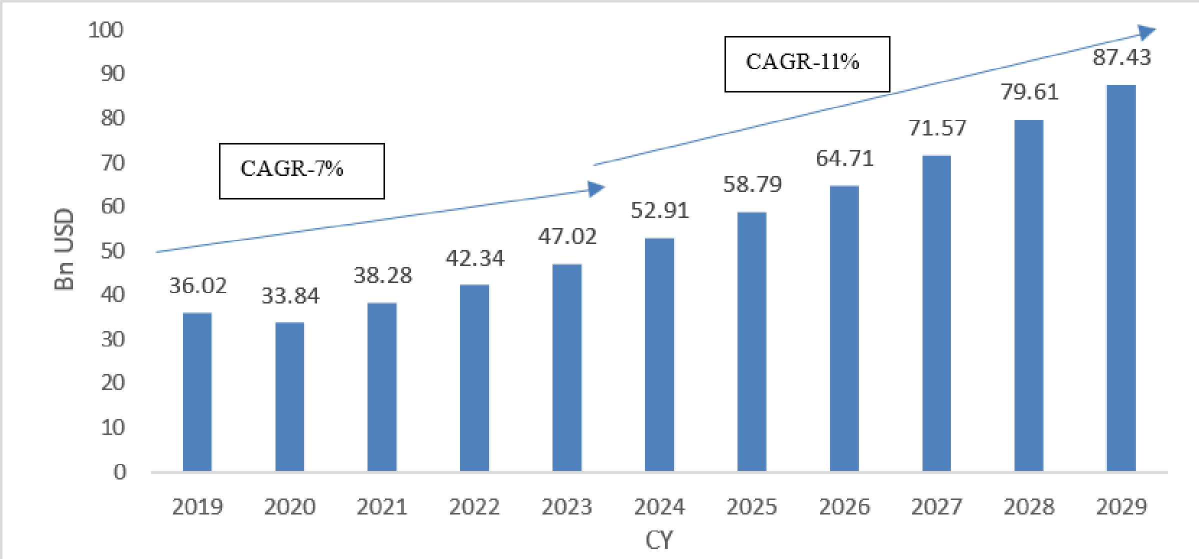

*Source: Maia Research, CareEdge Research*

**Residential**

The residential construction market in India is currently experiencing a significant transformation, driven by a combination of factors such as urbanization, government initiatives, and evolving consumer preferences. With the rise of smart cities and infrastructure development, there is an increasing demand for affordable housing, particularly in urban areas. Additionally, sustainable building practices and green construction are gaining traction as awareness of environmental issues grows. Residential construction market size comprises of 15-17% of the total construction market in India between CY19 to CY23 and is expected to continue the same till CY29.

The residential construction market has grown at a CAGR of 7% from CY19 to CY23 and is expected to grow at a CAGR of 11% from CY24 to CY29 due to the expected robust growth with focus on innovation and sustainability.

**Chart 18: Market size of the residential construction market**




*Source: Maia Research, CareEdge Research Note: CY24 to CY29 are projected numbers*

**Key growth drivers**

**1. Economic Growth and Urbanization**

- Rising household incomes, a growing middle class, and better financial stability are driving investment in residential properties. As urban areas grow, new housing projects are being developed to meet the increasing demand.

**2. Government Initiatives for Housing**

- **PMAY:** The government's affordable housing initiative, now extended beyond 2022, has increased demand, particularly for affordable homes.
- Smart Cities Mission: Focuses on building modern, sustainable cities with residential, commercial, and social amenities.
- **RERA:** The Real Estate Regulation Act has improved transparency, reduced delays, and ensured quality, boosting confidence in the real estate market.

**3. Interest Rates and Financing Options**

- **Low Interest Rates:** The RBI's rate cuts, and favourable lending conditions have made housing loans more affordable, encouraging home purchases.
- **Affordable Housing Loans**: Government schemes like Subvention and tax rebates for first-time buyers enhance housing accessibility.
- **REITs:** The growth of REITs helps developers secure capital more easily, promoting residential development.

**4. Demand for Affordable and Mid-Income Housing**

- **Affordable Housing:** Increasing urban populations, lifestyle changes, and the government's focus on low-income housing are driving demand.
- **Mid-Income Housing:** As disposable incomes rise, the middle class seeks larger, higher-quality homes in suburban areas, boosting development in tier-1 and tier-2 cities.

**5. Infrastructure Development**

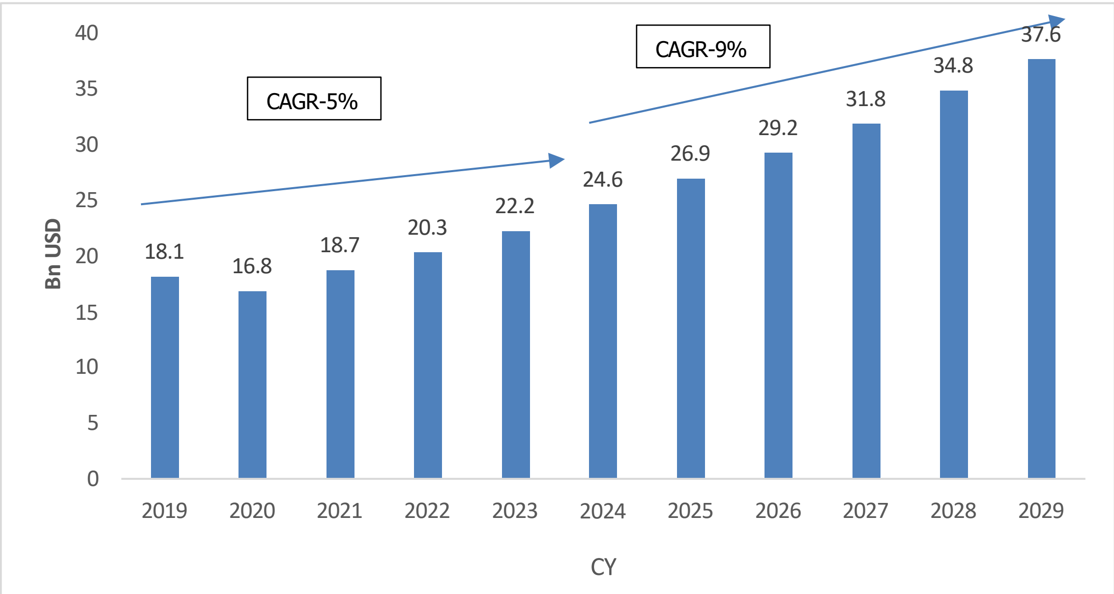
- Improvements in highways, metro networks, and airports have made suburban areas more accessible for residential projects. The rise of integrated townships and mixed-use developments is further fuelling demand for modern residential properties.

**Industrial**

The industrial construction market in India is witnessing a notable surge, driven by factors such as increased manufacturing demand, government initiatives, and infrastructure development. The "Make in India" campaign has bolstered investments in manufacturing, leading to the establishment of new factories and industrial parks. There is a growing emphasis on logistics and warehousing, fuelled by the rise of e-commerce and a need for efficient supply chain solutions. Sustainability is also becoming a priority, with many projects incorporating eco-friendly materials and energy-efficient designs. Industrial construction market size comprises of 8 to 9% of the total construction market in India between CY19 to CY23 and is expected to continue the same till CY29.

The industrial construction market has grown at a CAGR of 5% from CY19 to CY23 and is expected to grow at a CAGR of 9% from CY24 to CY29 due to the industrial construction sector in India is positioned for substantial growth, reflecting the country's ambitions to become a global manufacturing hub.

**Chart 19: Market size of the industrial construction market**




*Source: Maia Research, CareEdge Research  Note: CY24 to CY29 are projected numbers*

**Key growth drivers**

1. **Government Initiatives and Policies**

   - **Atmanirbhar Bharat:** The push for self-reliance in industries like manufacturing, electronics, and defence has increased demand for industrial facilities.
   - **Infrastructure Development:** Initiatives like Pradhan Mantri Gati Shakti and the National Infrastructure Pipeline (NIP) have improved transportation and connectivity, boosting demand for industrial facilities.
   - **PLI Scheme:** The Production Linked Incentive scheme encourages manufacturing plants, especially in electronics, auto components, and pharmaceuticals, driving demand for industrial construction.

2. **Rising Demand for Warehousing and Logistics**

- **E-commerce Growth:** The rapid rise of e-commerce is fuelling the need for warehousing and logistics infrastructure, including storage, fulfilment centres, and distribution hubs.

- **Industrial and Logistics Parks:** Dedicated industrial and logistics parks are driving demand for warehouses, factories, and distribution centres.

- **Cold Storage Demand:** The agricultural and food processing sectors' growth is increasing the demand for cold storage and refrigerated warehousing.

**3. Rising Demand for Sustainable and Green Buildings**

- **Green Building Trends:** Growing environmental awareness is increasing demand for green and LEED-certified industrial spaces.

- **Government Incentives:** Government incentives for energy-efficient and sustainable construction are encouraging eco-friendly industrial development.

**4. Growing Demand from Key Sectors**

- **Manufacturing and Heavy Industry:** Growth in sectors like automobile manufacturing, pharmaceuticals, electronics, and steel is driving the need for new industrial facilities.

- **Energy Sector Growth:** The expansion of renewable energy infrastructure, such as solar and wind farms, is increasing demand for industrial construction.

- **Pharmaceuticals and Biotechnology:** The growth of pharmaceutical and biotechnology sectors, driven by global healthcare needs, is fuelling the construction of specialized industrial spaces.

**5. Availability of Land and SEZs**

- **SEZs**: The establishment of Special Economic Zones (SEZs) has simplified land acquisition, offering tax incentives and infrastructure support for industrial projects.

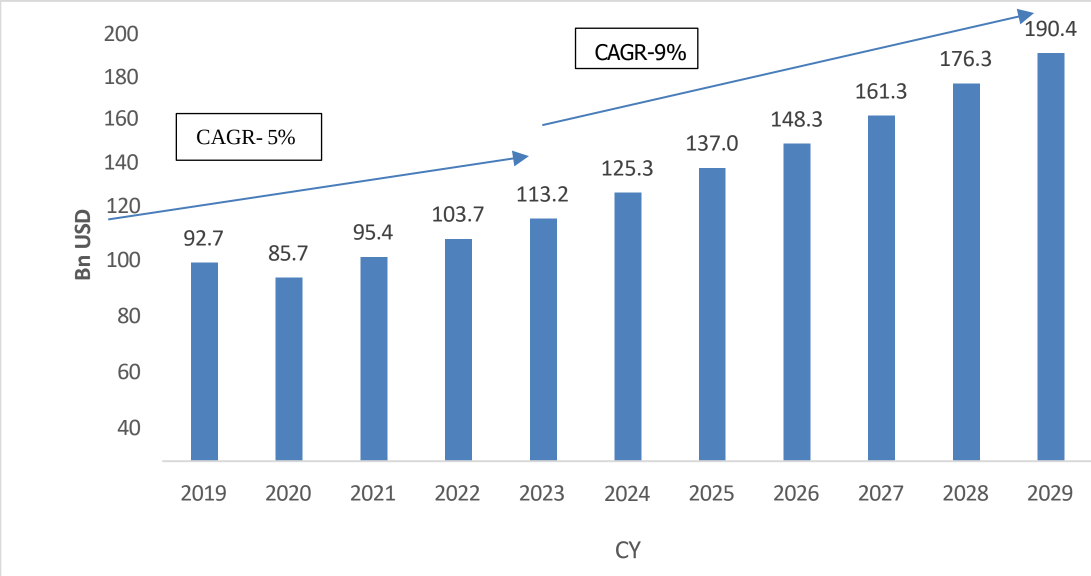
- **Dedicated Industrial Parks:** Industrial parks with ready-to-build infrastructure are stimulating the construction of industrial facilities.

**Infrastructure**

The infrastructure construction market in India is currently experiencing robust growth, propelled by significant government investment and a focus on enhancing connectivity and urban development. Key initiatives such as the National Infrastructure Pipeline (NIP) aim to mobilize investment across sectors, including transportation, energy, and urban infrastructure. Infrastructure construction market size comprises of about 40% of the total construction market in India between CY19 to CY23 and is expected to continue the same till CY29.

The industrial construction market has grown at a CAGR of 5% from CY19 to CY23 and is expected to grow at a CAGR of 9% from CY24 to CY29 due to the expected significant expansion, reflecting the country's ambitions for comprehensive and sustainable growth.

**Chart 20: Market size of the infrastructure construction market**




*Source: Maia Research, CareEdge Research; Note: CY24 to CY29 are projected numbers*

**Key Growth Driver**

**1. Government Initiatives and Policies**

- **National Infrastructure Pipeline (NIP)**: The government's ₹111 trillion investment in infrastructure, covering sectors like transportation, energy, and urban development, is expected to boost the construction sector.

- **Smart Cities Mission**: This initiative focuses on developing smart cities to tackle urbanization, driving demand for residential, commercial, and civic infrastructure.

**2. Private Sector Investment**

- Increased private sector involvement, through Public-Private Partnerships (PPP), is funding large projects in airports, roads, highways, and smart cities, with multinational companies also contributing to growth in India's infrastructure sector.

**3. Industrial Growth and Manufacturing Expansion**

- India's rise as a global manufacturing hub, particularly through the Make in India initiative, is driving demand for industrial parks, logistics hubs, and transportation networks, stimulating construction growth.

**4. Transportation and Connectivity Development**

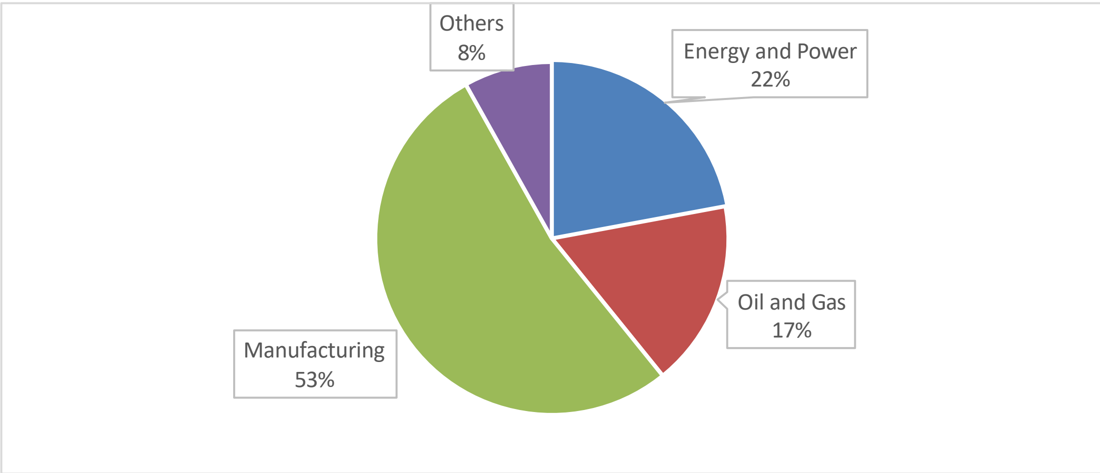
- The government's focus on enhancing transportation infrastructure, including roads, railways, airports, and ports, is fuelling demand for construction services. Projects like Dedicated Freight Corridors, Expressways, Metro Rails, and International Airports are key drivers of sector expansion.

**5. Focus on Sustainability and Green Infrastructure**

- The growing focus on sustainable construction practices, such as green buildings and renewable energy use, is increasing demand for energy-efficient, eco-friendly infrastructure, in line with India's climate goals.

End User market Share of Industrial construction investment in India

**Chart 21: End User market Share of Industrial construction investment in India (CY23)**

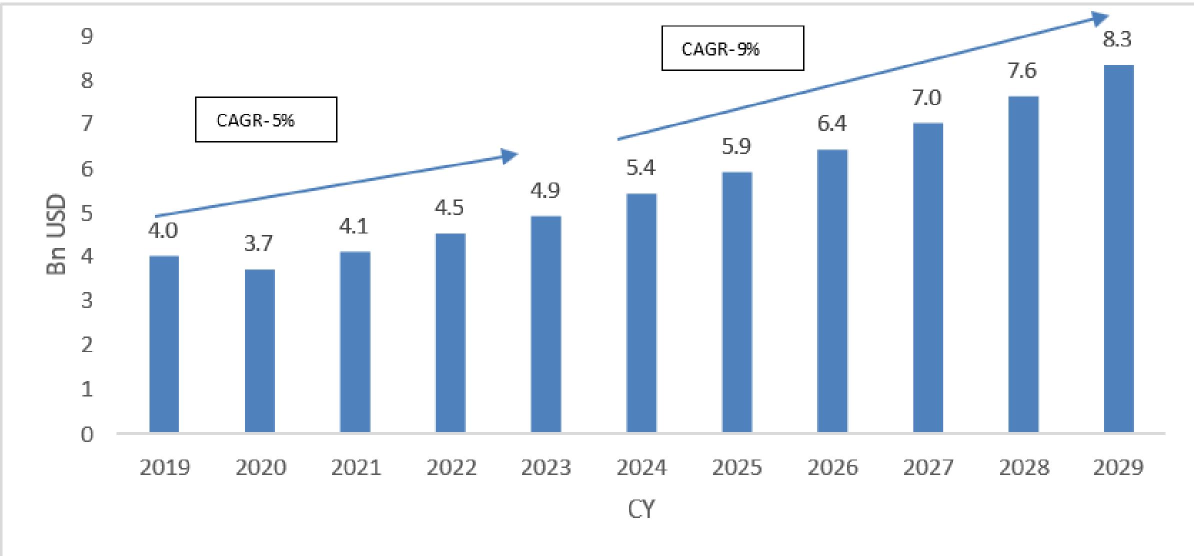



*Source: Maia Research, CareEdge Research*

**Energy and Power**

India's energy and power sector are undergoing a transformation, driven by the demand for sustainable and reliable energy. As the country focuses on reducing its carbon footprint, there is a shift towards renewable energy, particularly solar and wind power. The government's renewable energy targets have led to investments in solar farms, wind parks, and energy-efficient facilities. The rise of electric vehicles is also driving the development of charging infrastructure. Additionally, industrial facilities are adopting smart technologies to improve energy efficiency. The energy and power construction market grew at a CAGR of 5% from CY19 to CY23 and is expected to grow at 9% CAGR from CY24 to CY29, reaching USD 8.3 Bn.

**Chart 22: Market size of the Energy and Power construction market**

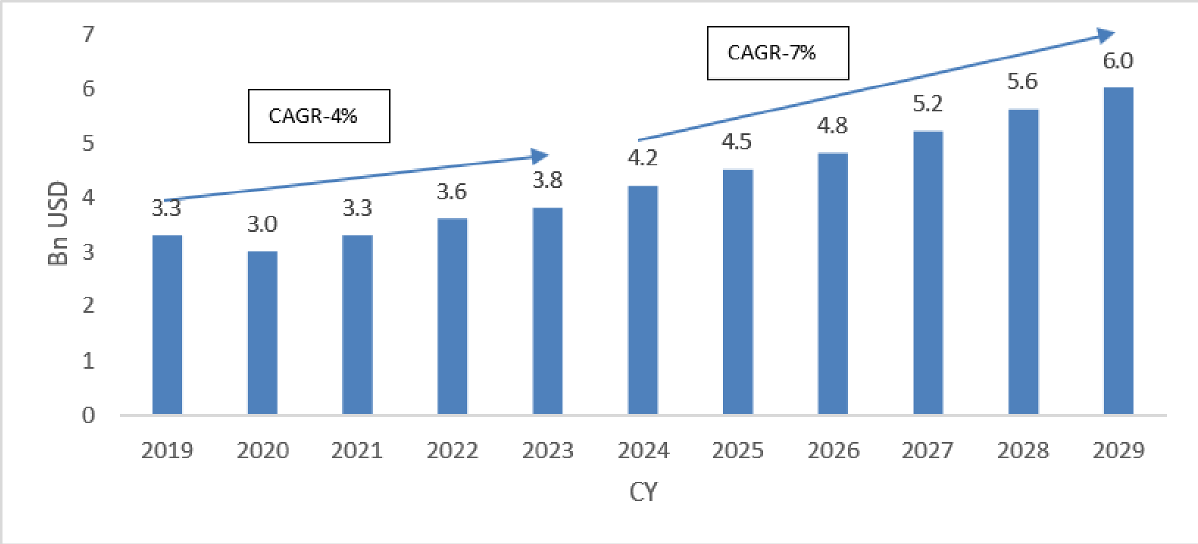



*Source: Maia Research, CareEdge Research Note: CY24 to CY29 are projected numbers*

**Oil and Gas**

India's oil and gas sector are evolving, driven by both domestic and international factors. To enhance energy security, the country is expanding refining capacity, developing strategic reserves, and upgrading existing infrastructure. Major projects include new refineries and petrochemical complexes, supported by government initiatives for greater energy self-sufficiency. The push for cleaner fuels is also fuelling investments in biofuels, natural gas, LNG terminals, and pipeline networks. The oil and gas construction market grew at a CAGR of 4% from CY19 to CY23 and is expected to grow at 7% CAGR from CY24 to CY29, reaching USD 3.3 Bn

**Chart 23: Market size of the Oil and Gas construction market**

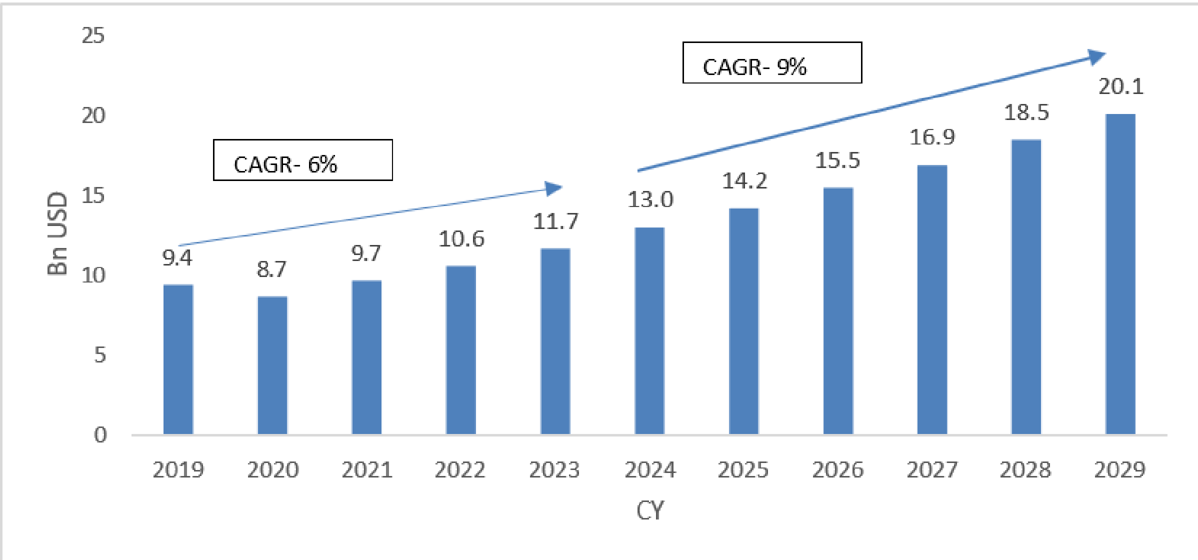



*Source: Maia Research, CareEdge Research Note: CY24 to CY29 are projected numbers*

**Manufacturing**

The current trend in manufacturing within India's industrial construction market is characterized by a significant shift towards automation and digitalization. This evolution is further fuelled by government initiatives aimed at boosting infrastructure development and attracting foreign investment, making India a competitive hub for industrial construction. Overall, the focus on innovation, sustainability, and smart manufacturing processes is reshaping the landscape of the sector. The manufacturing construction market has grown at a CAGR of 6% from CY19 to CY23 and is expected to grow at a CAGR of 9% from CY24 to CY29 to reach USD 20.1 Bn.

**Chart 24: Market size of the Manufacturing construction market**




*Source: Maia Research, CareEdge Research Note: CY24 to CY29 are projected numbers*

Key Growth Drivers for Construction industry in India

The construction industry in India is experiencing robust growth driven by several key factors:

| Growth Drivers | Description |
|---|---|
| **Government Initiatives and Funding** | The Indian government has launched ambitious programs such as the National Infrastructure Pipeline (NIP), which aims to invest approximately Rs 111 trillion (around USD 1.5 trillion) in infrastructure projects by 2025. Initiatives like "Housing for All" and |

| | |
|---|---|
| | smart city projects are expected to significantly boost construction activity, with estimated investments in urban infrastructure and housing reaching Rs 25 trillion (approximately USD 335 billion) over the next few years. |
| **Urbanization** | India is witnessing rapid urbanization, with projections indicating that by CY31, about 600 million people will reside in urban areas. The urban construction sector is expected to grow at a CAGR of around 6-8% from CY21 to CY26, highlighting the need for comprehensive urban planning and infrastructure development. |
| **Foreign Direct Investment (FDI)** | The construction sector has become increasingly attractive to foreign investors, with FDI inflows in construction activities reaching approximately USD 34 billion from FY14 to FY24. |
| **Technological Advancements** | The adoption of modern construction technologies, such as Building Information Modelling (BIM), prefabrication, and automation, is transforming the construction landscape. The market for construction technology in India is projected to grow at a CAGR of around 20% over the next five years, indicating a shift towards more efficient construction practices. |
| **Sustainability and Green Building** | There is an increasing emphasis on sustainable construction practices, driven by both regulatory requirements and consumer demand. The use of eco-friendly materials and energy-efficient designs not only meets environmental standards but also attracts investment. |

Government Regulation and Policies impacting the construction sector in India Some of the key government construction schemes include:

The 2023-24 budget by the government highlights the impetus for growth by focusing on big public investment for modern infrastructure, which will be guided by PM Gati Shakti and benefit from the synergy of a multi-modal approach. 100 critical transport infrastructure projects have been identified at an investment of Rs 750 Billion including Rs 150 Billion from private players. For the urban infrastructure in Tier–II and Tier–III cities, a corpus of Rs 100 Billion has been set aside via the establishment of the Urban Infrastructure Development Fund.

- **Smart Cities Mission**: This mission focuses on 100 smart cities implementing projects in areas like mobility, energy, water, sanitation, waste management, public spaces, social infrastructure, and governance. As of September 2023, over 6,000 projects worth more than ₹1.1 trillion have been completed, with remaining projects set to finish by June 30, 2024.

- **AMRUT**: Launched in June 2015 for 500 cities, AMRUT aims to improve urban infrastructure. It was expanded to AMRUT 2.0 in October 2021, covering the period from FY 2021-22 to FY 2025-26. The mission focuses on providing universal water supply and sewerage management in the cities covered in the first phase.

- **PMAY**: The Pradhan Mantri Awas Yojana (PMAY) emphasizes affordable housing for all, with steady budget allocations. The government's efforts in sanctioning and completing numerous houses under both PMAY-Urban and PMAY-Gramin highlight its commitment to improving living conditions across the country.

The table below shows the budgetary allocation trend:

**Table 4: Scheme-Wise Allocation Towards Infrastructure in FY24 (Rs Million)**

| Description | FY22 | FY23 | FY24 | FY 25[BE] |
|---|---|---|---|---|
| Pradhan Mantri Awas Yojna (PMAY) | 9,00,000 | 7,71,000 | 7,96,000 | 8,07,000 |
| Urban Rejuvenation Mission: AMRUT and Smart Cities | 1,39,000 | 1,53,000 | 1,60,000 | 1,04,000 |

*Source: Union Budget 2023-24 Analysis*

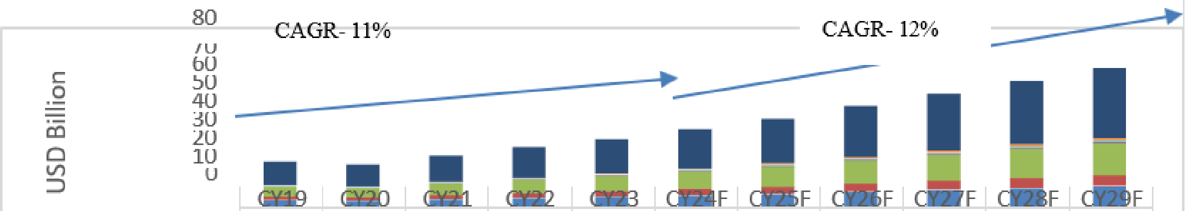
**Overview of type of construction activity in India**

**Overview of Global PEB Market**

The global Pre-Engineered Buildings (PEB) market is witnessing significant growth due to increasing demand for cost-effective, time-efficient, and sustainable construction solutions across various industries. PEBs are custom-designed, factory-built structures made of steel or other materials that are prefabricated and pre-engineered to meet specific requirements. Additionally, the rising demand for green buildings and energy-efficient solutions is encouraging the use of PEBs, as they offer lower environmental impact and reduced energy consumption. North America, Europe, and Asia-Pacific are the major regions contributing to the growth of the PEB market, with India, China, and the United States leading in construction activities. As industries continue to prioritize sustainability and cost-effective solutions, the global PEB market is expected to experience steady growth in the coming years.

The global PEB market in grew at a CAGR of 11% from CY19 to CY24 and is expected to grow at a CAGR of 12% from CY24 to CY29 to reach USD 37.5 Bn.

**Chart 25: Global PEB Market Size**




| | CY19 | CY20 | CY21 | CY22 | CY23 | CY24F | CY25F | CY26F | CY27F | CY28F | CY29F |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 12.3 | 11.6 | 14.1 | 16.3 | 18.5 | 21.2 | 23.9 | 27.3 | 30.6 | 34.0 | 37.5 |
| Latin America | 0.6 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.2 | 1.3 | 1.4 | 1.5 |
| Africa | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 0.5 |
| Middle East | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.4 | 0.5 | 0.5 | 0.6 | 0.7 |
| APAC | 5.4 | 5.1 | 6.2 | 7.3 | 8.3 | 9.5 | 10.9 | 12.4 | 14.0 | 15.7 | 17.4 |
| Europe | 2.1 | 2.0 | 2.4 | 2.7 | 3.1 | 3.5 | 3.9 | 4.4 | 4.9 | 5.4 | 5.8 |
| North America | 3.9 | 3.6 | 4.4 | 5.1 | 5.8 | 6.6 | 7.4 | 8.5 | 9.5 | 10.5 | 11.6 |

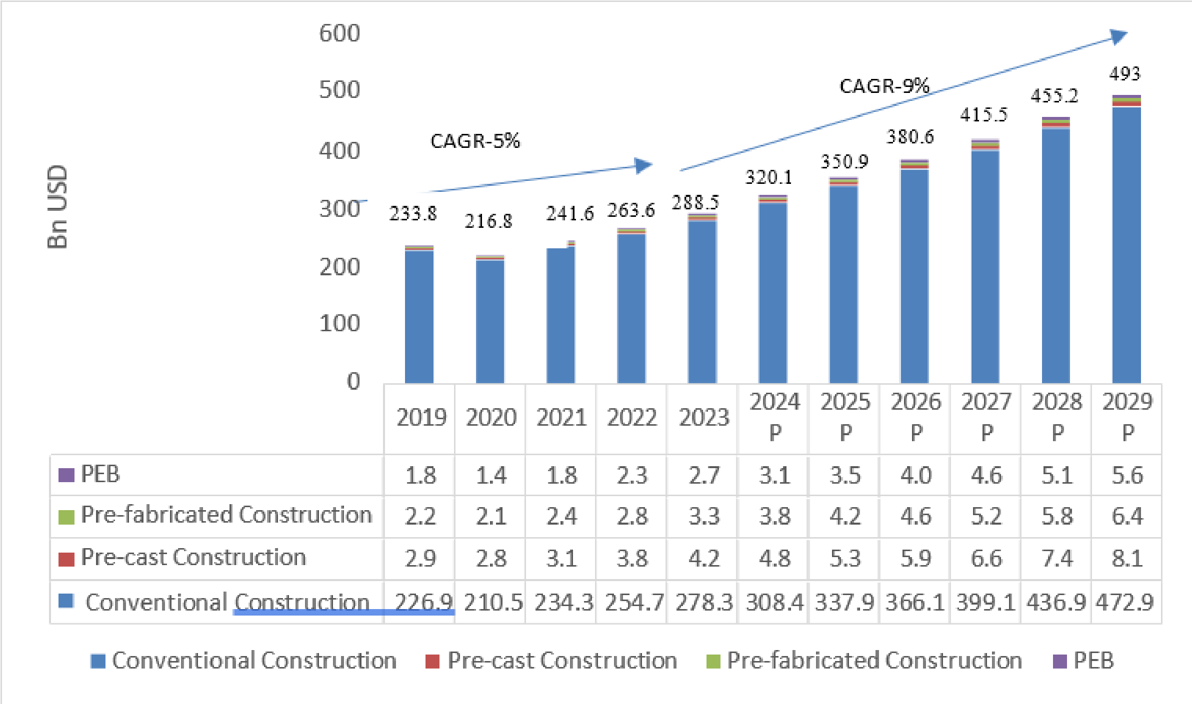
North America Europe APAC Middle East Africa Latin America Total

*Source: Maia Research, CareEdge Research*

Market Size of Total Construction Market in India

The construction industry can be divided into conventional, Pre- Cast, Pre- Fabricated and Pre- Engineered Building construction methods. The total construction market has grown at a CAGR of 5% from CY19 to CY23 and is expected to grow at a CAGR of 9% from CY23 to CY29 to reach USD 493.1 Billion.

**Chart 26: Market Size of Construction Market in India**




| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 P | 2025 P | 2026 P | 2027 P | 2028 P | 2029 P |
|---|---|---|---|---|---|---|---|---|---|---|---|
| PEB | 1.8 | 1.4 | 1.8 | 2.3 | 2.7 | 3.1 | 3.5 | 4.0 | 4.6 | 5.1 | 5.6 |
| Pre-fabricated Construction | 2.2 | 2.1 | 2.4 | 2.8 | 3.3 | 3.8 | 4.2 | 4.6 | 5.2 | 5.8 | 6.4 |
| Pre-cast Construction | 2.9 | 2.8 | 3.1 | 3.8 | 4.2 | 4.8 | 5.3 | 5.9 | 6.6 | 7.4 | 8.1 |
| Conventional Construction | 226.9 | 210.5 | 234.3 | 254.7 | 278.3 | 308.4 | 337.9 | 366.1 | 399.1 | 436.9 | 472.9 |

*Source: Maia Research, CareEdge Research*

**Pre-Cast Construction**

Precast construction involves casting concrete into reusable moulds, curing it in a controlled environment, and then transporting the components to the construction site. This method offers advantages over traditional cast-in-place concrete, such as better-quality control, faster construction, and reduced labour costs.

The precast construction market in India has grown significantly, driven by technological advancements, a shift toward faster building methods, and government initiatives for affordable housing and infrastructure development. The market grew at a CAGR of 10% from CY19 to CY23 and is expected to grow at 11% CAGR from CY24 to CY29, reaching USD 8.1 Bn.

**Prefabricated Construction**

The prefabricated construction market in India has witnessed significant growth from 2019 to 2023, driven by rising demand for faster, cost-effective, and sustainable building solutions. Over this period, factors such as rapid urbanization, increasing infrastructure development, government initiatives, and a growing focus on smart cities have fuelled the adoption of prefabricated construction methods.

Looking ahead, the prefabricated construction market in India is expected to continue its upward trajectory. The government's focus on "Housing for All" and sustainable infrastructure, combined with growing private sector investment, will likely spur further innovation and adoption. Additionally, as environmental concerns grow, the emphasis on green building materials and energy-efficient construction will further push the demand for prefabricated solutions. The pre-fabricated construction market in India grew at a CAGR of 11% from CY19 to CY23 and is expected to grow at a CAGR of 11% from CY24 to CY29 to reach USD 6.4 Bn.

Overview of PEB Market in India

The Pre-Engineered Building (PEB) market in India has witnessed significant growth across multiple sectors due to its advantages in terms of cost-effectiveness, construction speed, and flexibility. PEBs, primarily constructed using steel and other durable materials, are designed, and fabricated in a factory and assembled on-site, making them ideal for industrial, commercial, and infrastructure applications.

**Manufacturing and Industrial Sector**: The manufacturing and industrial sectors are among the largest adopters of PEBs in India. These buildings are ideal for factories, production units, assembly plants, and warehouses due to their scalability and ease of expansion. The rapid industrialization driven by government initiatives like *Make in India* and *Atmanirbhar Bharat* has further bolstered the demand for PEBs.

**Warehousing and Logistics**: The warehousing and logistics sector has seen a significant shift towards PEBs due to the booming e-commerce and retail sectors in India. As the need for large, cost-effective storage spaces increases, PEBs provide an efficient solution. The government's push to develop logistics hubs under the *National Logistics Policy* further promotes the use of PEBs in this sector.

**Retail and Commercial Sector**: PEBs are increasingly being used for retail outlets, shopping malls, showrooms, and commercial complexes due to their versatility in design and the ability to meet high- performance standards. Additionally, PEBs offer flexibility in terms of expansion and redesign, making them attractive for growing retail chains and businesses.

**Infrastructure and Public Sector Projects**: The infrastructure sector, including projects related to transportation (airports, bus terminals, railway stations), sports facilities, and public buildings, is another significant area where PEBs are gaining traction. Their quick construction timelines and ability to withstand harsh weather conditions make them a preferred choice for infrastructure projects, especially in regions with time-sensitive requirements.

**Agriculture and Agro-Processing**: The agricultural sector, including agro-processing units and cold storage facilities, is another area where PEBs are becoming popular. These buildings offer a durable, cost-effective solution for housing agricultural equipment, processing plants, and storage units. The growing emphasis on food processing and agricultural exports in India is driving demand for PEBs in this sector.

**Healthcare and Education**: With the rapid expansion of healthcare and educational institutions in both urban and rural areas, PEBs are being utilized for constructing hospitals, clinics, schools, and universities. Their ability to provide quick, scalable solutions is vital in addressing the infrastructure gap in these sectors. Furthermore, the flexibility and customization offered by PEBs allow for meeting specific requirements such as patient care facilities, Laboratories, and classrooms.

Because of the above factors, the PEB market in India is poised for continued growth as industries across various sectors recognize the benefits of using pre-engineered buildings for their cost-efficiency, faster construction times, and flexibility. It has grown at a CAGR of 11% from CY19 to CY23 and is expected to grow at a CAGR of 13% from CY24 to CY29 to reach USD 5.6 Billion.

ESG Strategies and Trends in Steel Industry

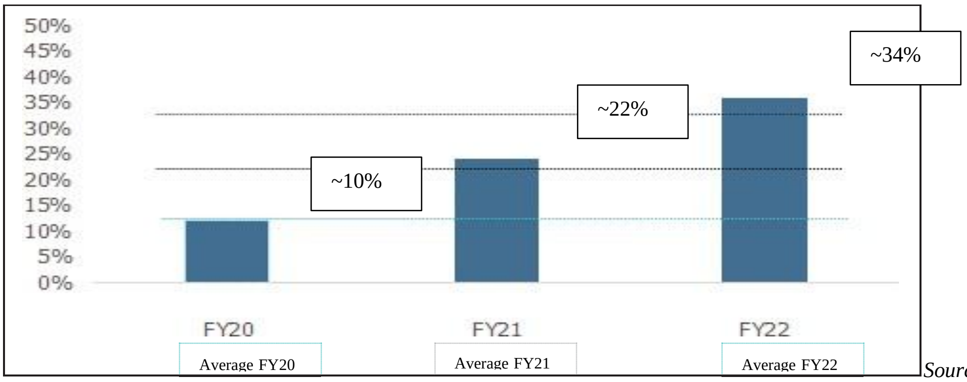
The steel industry has significantly shifted its ESG practices, focusing on reducing carbon emissions and energy consumption. Manufacturers are improving energy efficiency, optimising waste and water management, and incorporating renewable energy sources. Innovations like hydrogen-based reduction and carbon capture technologies are further reducing the carbon footprint.

Globally, the steel sector faces growing pressure to enhance sustainability, as it accounts for 7% of global CO2 emissions. To meet the Paris Agreement's goal of a 50% emission reduction by 2050, the industry is adopting energy-efficient technologies, alternative fuels, and renewable resources.

The European Parliament and EU Council have reached a historic agreement on a carbon Border Adjustment Mechanism (CBAM) that will apply to the import of certain product groups to the EU starting October 1, 2023. The Carbon Border Adjustment Mechanism (CBAM) is a carbon pricing mechanism proposed by the European Union (EU) to put a price on carbon emissions from imported goods. Under the CBAM, importers of goods from outside the EU will need to purchase certificates for the carbon emissions associated with those goods. CBAM is one of the elements of the EU Green Deal, the goal of which is to reduce GHG emissions by 55% by 2030. CBAM is aimed at equalizing the price of carbon paid for EU products operating under the EU Emissions Trading System (ETS) and imported goods. The CBAM will be implemented in two phases: A transitional phase, which will begin in 2023 and run until 2026. During this phase, the CBAM will be based on a simplified emissions calculation methodology. A full phase, which will begin in 2026. During this phase, the CBAM will be based on a more comprehensive emissions calculation methodology. The Carbon Border Adjustment Mechanism (CBAM) is expected to affect a sizeable portion of India's annual steel exports to Europe, with estimates suggesting that it could impact anywhere between 15% to 40% of the exports.

The steel industry in India is adapting to the evolving ESG landscape to demonstrate its commitment to sustainable and responsible practices. By integrating ESG considerations into their operations, steel companies aim to enhance their competitiveness, attract investments, meet regulatory requirements, and fulfil the expectations of various stakeholders.

**Chart 27: Percentage of companies in the steel sector with ESG disclosures**




*Source: CareEdge Advisory*

Overview of manufacturing sector in India

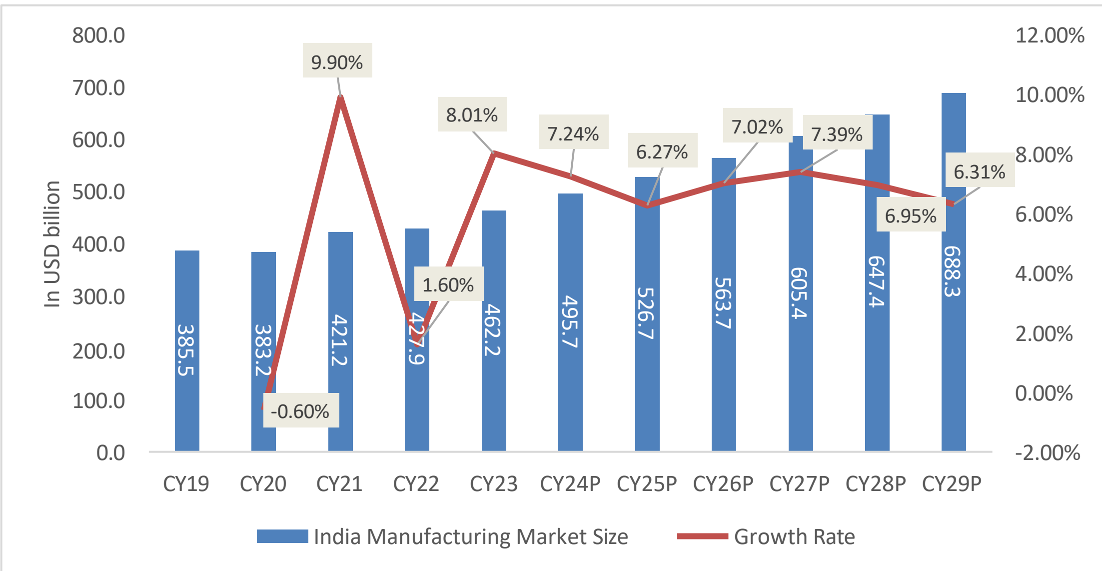
India's manufacturing industry is a crucial element in the country's economic growth, serving as a key factor in the government's ambition to elevate the nation to a $5 trillion economy. The manufacturing industry plays a vital role in advancing GDP expansion, enhancing exports, generating job openings, and constructing essential infrastructure

The Make in India initiative has played a key role in transforming India's manufacturing sector over the past 10 years by attracting investments, updating infrastructure, and enhancing the business environment. Initiatives like FDI reforms, GST, and the PLI scheme have improved the sector's competitiveness on a global scale. Despite obstacles, the manufacturing industry continues to show strength and promise for growth, emphasizing the importance of innovation, technology integration, and skills enhancement.

India's future economic growth is heavily supported by the sector's continuous success, thanks to ongoing reforms and the country's strategic partnerships with global players. With the aim of achieving a 25% share of GDP by 2025, the manufacturing sector in India is expected to have a greater impact on the country's economy

Trend of manufacturing sector in India and outlook

**Chart 28: Manufacturing sector in India**




*Source: Maia Research, CareEdge Research*

The trend in India's manufacturing market size from CY19 to CY29P shows fluctuating trend, with a slight contraction in CY20 due to the pandemic (-0.6%), followed by strong recovery in CY21 (+9.9%) and steady growth in subsequent years. The market grows at a healthy pace, averaging around 6-8% annually, driven by ongoing reforms, increasing investment, and expansion in key sectors like electronics, pharmaceuticals, and automotive. The growth rate remains steady after CY25 but remains positive, reflecting a mature and evolving manufacturing landscape.

Sub sector split and manufacturing clusters in India

**Table 5: IIP-Manufacturing split in engineered products (in % y-o-y change)**

| Type of product | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Manufacture of electrical equipment | -4.5 | -12.3 | 12.2 | -4.2 | 7.5 |
| Manufacture of machinery and equipment n.e.c. | -12.7 | -14.1 | 11.0 | 10.5 | 6.6 |
| Manufacture of motor vehicles, trailers, and semi-trailers | -18.3 | -19.1 | 18.4 | 19.3 | 11.6 |
| Manufacture of other transport equipment | -6.2 | -18.0 | 1.6 | 11.6 | 13.9 |
| Manufacture of other non-metallic mineral products | -1.9 | -12.9 | 20.1 | 6.6 | 6.5 |
| Manufacture of basic metals | 11.0 | -5.8 | 18.6 | 8.1 | 11.6 |
| Manufacture of fabricated metal products, except machinery and equipment | -14.7 | -13.7 | 10.9 | -1.6 | 8.3 |
| Others | -3.3 | -16.4 | 14.7 | 2.6 | -2.2 |

*Source: MOSPI*

The manufacturing trends in engineered products from FY20 to FY24 show varied performance across different sectors. The manufacture of motor vehicles, trailers, and semi-trailers saw significant declines in FY20 and FY21, with decreases of 18.3% and 19.1%, respectively. This was followed by a rebound with growth in FY22 18.4%, FY23 19.3%, and a slower increase in FY24 11.6%. Similarly, the manufacture of machinery and equipment experienced declines in the early years, with reductions of 12.7% in FY20 and 14.1% in FY21, before recovering in FY22 11.0% and FY23 10.5%, and showing moderate growth in FY24 6.6%. The manufacture of electrical equipment and other transport equipment also had negative growth in FY20 and FY21, with reductions of 4.5% and 6.2%, 12.3% and 18.0%, respectively. Electrical equipment sector continued with negative performance and other transport equipment showed recovery in FY23, with y-o-y percentage changes of 4.2% and 11.6%, and both sectors showed positive performance in FY24 with 7.5% and 13.9%.

In contrast, the manufacture of basic metals showed more consistent growth, with rates of 11.0% in FY20, 18.6% in FY22, 8.1% in FY23, and 11.6% in FY24. The manufacture of fabricated metal products experienced declines in FY20 and FY21, with reductions of 14.7% and 13.7%, but recovered in FY22 with growth of 10.9%, followed by more modest growth in FY24 8.3%. The manufacture of non-metallic mineral products saw fluctuations, with a significant increase of 20.1% in FY22, followed by more moderate growth in FY23 6.6% and FY24 6.5%. Overall, while many sectors show signs of recovery after the downturns in FY20 and FY21, the growth patterns differ across industries, reflecting varied sector-specific dynamics.

Growth drivers in the manufacturing sector

| Growth Drivers | Description |
|---|---|
| **Technological Advancements in Manufacturing** | One of the key drivers of growth in the PEB sector is the continuous advancement in manufacturing technologies. The innovations allow for faster assembly and better customization, making PEB an increasingly attractive option for both residential and commercial buildings. |
| **Cost Efficiency and Sustainability** | Pre-engineered construction is gaining popularity due to its cost-efficiency and sustainability benefits. The use of standardized components and off-site manufacturing reduces labour costs and minimizes construction time, making PEB an appealing option for cost-conscious clients. Additionally, PEB involves less material wastage and allows for the use of eco-friendly materials, contributing to sustainability. |
| **Growing Infrastructure and Urbanization** | As global urbanization continues to rise, there is an increasing demand for faster, more efficient construction methods to meet the needs of expanding infrastructure. PEB provides a solution for quickly developing urban spaces such as warehouses, factories, schools, and commercial buildings |
| **Government Support and Regulations** | Government policies and incentives aimed at boosting industrial growth and sustainable construction practices play a significant role in the growth of PEB. Various governments are offering subsidies, tax breaks, and regulations that encourage the use of prefabricated building methods for both residential and commercial projects. |
| **Ease of Doing Business Reforms** | The Indian government has implemented a series of reforms to improve the ease of doing business in the country. Key measures include the Goods and Services Tax (GST), which |

| Growth Drivers | Description |
|---|---|
| | simplifies the taxation system, and the Labour Codes, which consolidate multiple Labour laws into a simpler framework to reduce compliance burdens for businesses. |

**Government policies and regulations**

Some of the key government policies and regulations:

- **Production Linked Incentive (PLI) Scheme**

  Launched in March 2020, the PLI scheme aims to enhance domestic manufacturing capabilities, increase import substitution, and generate employment. It seeks to attract investments, boost production, and make Indian manufacturers globally competitive.

- **PLI Scheme for Specialty Steel-**

  - The objective of PLI scheme for 'specialty steel' is to promote manufacturing of specialty steel grades within the country by providing financial incentives.

  - The release of incentive will be from FY 2024-25 to 2030-31-

| Financial Year | Outlay (Rs. Cr.) |
|---|---|
| FY25 | 775 |
| FY26 | 1,088 |
| FY27 | 1,394 |
| FY28 | 1,377 |
| FY29 | 1,293 |
| FY30 | 222 |
| FY31 | 173 |
| **Total** | **6,322** |

- **Make in India**

  The Make in India initiative, launched in 2014, focuses to position India as a global manufacturing and entrepreneurial hub, transforming the business environment across various sectors. Its goal is to enhance the country's industrial capabilities and foster a culture of innovation and investment.

  The initiative has identified 25 key sectors for development, including manufacturing, infrastructure, and services. Foreign Direct Investment (FDI) has been significantly opened in areas like Defence Production, Construction, and Railway infrastructure, reflecting a strategic effort to boost industrial growth and attract global investment.

- It focuses on enhancing the ease of doing business by streamlining regulations, reducing licensing requirements, and introducing digital platforms for faster approvals. Concurrently, significant investments are being made in modern infrastructure, including the creation of industrial corridors and smart cities with advanced technology and high-speed communication. Upgrades to existing infrastructure are also in progress to improve logistics and support innovation and industrial growth.

- **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** This skill development initiative aims to upskill and reskill workers, making them more adaptable to modern manufacturing technologies such as automation, robotics, IoT, and AI. By equipping workers with relevant skills, PMKVY helps ensure that India's workforce can meet the demands of advanced manufacturing industries.

- **Delhi-Mumbai Industrial Corridor (DMIC):** A major infrastructure project designed to enhance industrial growth; this corridor focuses on improving connectivity between key industrial hubs. It includes the development of smart cities, high-speed rail, and road networks, as well as logistics hubs that will reduce transport costs and improve the movement of goods. It aims to attract investments and boost manufacturing output across the region.

- **Dedicated Freight Corridors:** These specialized rail corridors are designed to facilitate the efficient movement of goods, particularly heavy and bulk commodities, across the country. The development of the Eastern and Western Dedicated Freight Corridors will significantly reduce logistics costs, improve delivery times, and support the manufacturing sector by enhancing the flow of raw materials and finished goods.

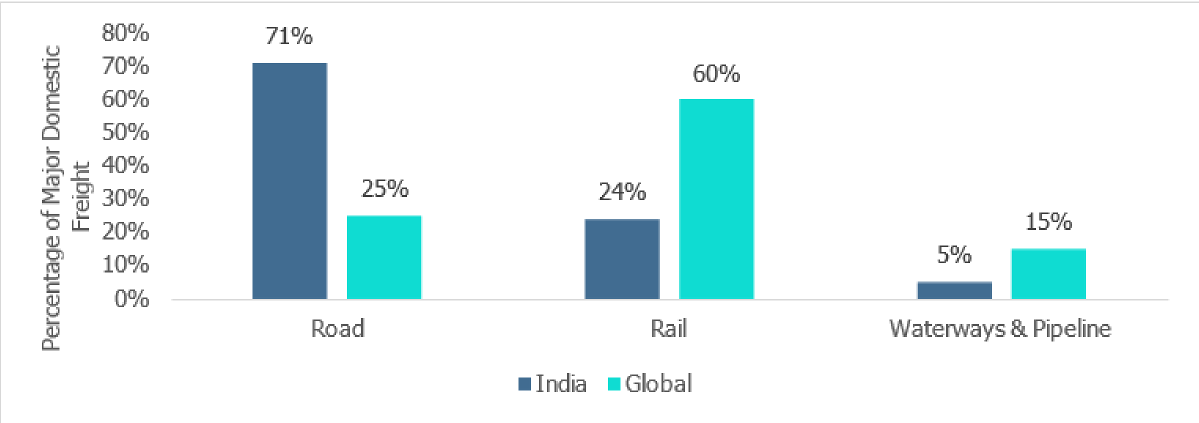
Overview of logistics sector in India

**Trend of Logistics sector in India**

India has been the world's fastest-growing major economy for four of the past five years, due to rising demand for goods and services. In FY24, India's annual merchandise exports declined to USD 437.06 billion, a decrease of 3.1% from FY23. In FY23, annual merchandise exports were USD 451.07 billion, an increase of 6.9% from FY22. India is inching closer to breaking into the top three trading partners in the world. To achieve that, it would require well integrated logistics policies.

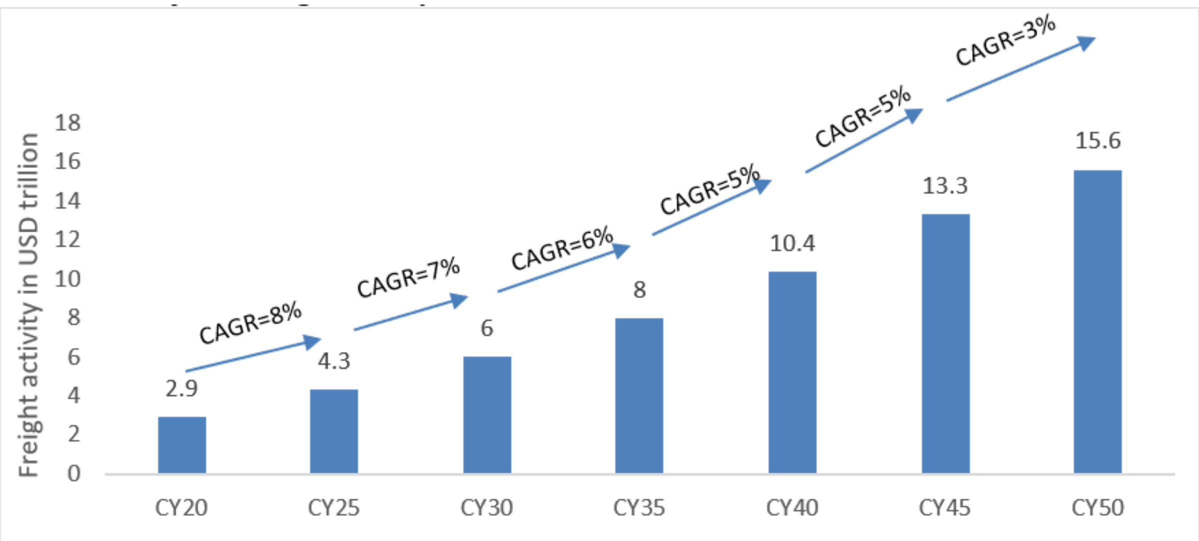
India handles 4.6 billion tonnes of goods each year, amounting to a total annual cost of INR 95,00,000 Mn. These goods represent a variety of domestic industries and products - 22% are agricultural goods, 39% are mining products and 39% are manufacturing-related commodities. Trucks and other vehicles handle most of the movement of these goods. Railways, coastal and inland waterways, pipelines, and airways account for the rest. Major domestic freight is still transported by road which accounts for 71% (25% globally) followed by rail - 24% (60% globally), waterways - 5% and balance through pipelines. Rail and road are the primary mode of logistics for domestic trade. Road is the dominant mode of transport which accounts for more than 70% of freight movement in India.

**Chart 29: Share of Major Domestic Freight by Mode of Transport**




*Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes, Industry Sources*

**Chart 30: Projected freight activity**




*Source: Niti Aayog, CareEdge Research*

India's logistics sector, valued at INR 1,10,00,000 Mn, is a crucial component of its economy, comprising over 10,000 types of products and handling around 4.6 billion tonnes of freight annually. The sector is expected to grow significantly, reaching INR 2.915 lakh crore by 202022, driven by rising GDP, population, and consumer demand. With GDP growth of 32% between CY15 and CY20, India's freight demand surged by 28%. As income levels rise, exports grow, and sectors like e-commerce expand, goods movement is projected to increase at a 7% annual growth rate, reaching 15.6 trillion tonne-km by 2050. Road freight will dominate, with over three trillion kilometres expected to be travelled by freight vehicles. India's logistics infrastructure has improved, evidenced by a rise in its Logistics Performance Index (LPI) from 3.07 to 3.42 between CY07 and CY16, but challenges remain, as the country currently ranks 44th globally in logistics performance. There is still potential for improvement by addressing key areas outlined in the report.

Developments in logistics and warehousing

The warehousing industry has been growing steadily since FY18 when it was granted infrastructure status by the Government of India, which helped the industry in securing funding at lower costs, for longer duration and with enhanced limit. Better availability of financing coupled with growing demand from the FMCG, pharmaceuticals, 3PL and e-commerce industries has propelled the growth of the industry over the past few years.

India is well - positioned in terms of growth in the logistics and warehousing industry owing to surge in e-commerce and digitization. There is an increase in investments in this sector because of the scope of high growth. In FY22, there have been some large investments in this sector by large multinational companies such as Blackstone and Bain Capital.

Although there was slowdown in demand from the e-commerce sector, 3PL and manufacturing companies filled the gap ensuring growth in the sector in FY23 sustained the momentum of FY22. This also represents a shift in the sector's underlying demand base, which earlier relied on e-commerce sector.

The manufacturing sector and 3PL sector companies have further sustained momentum in growth in transaction volumes of the warehousing industry in FY24 as well. Additionally, stable domestic demand, expansion of rural markets, and government's thrust on infrastructure projects have further fuelled this growth.

About half of the warehousing stock comes from the tier 1 cities which includes Delhi, Mumbai, and Bengaluru. In 2023, net demand reached 40 million sq. ft, with about 70% for Grade A space, indicating a shift towards higher-quality spaces driven by increased hygiene and safety standards post-COVID-19. Life-time high registrations of warehouse were witnessed in FY23 - 1,522 warehouses were registered compared to previous high of 1,005 registrations in FY20.

**Table 6: No. of Registered Warehouses**

| Sr. No. | Year | Warehouses Registered (Nos.) |
|---|---|---|
| 1 | FY16 | 588 |
| 2 | FY17 | 214 |
| 3 | FY18 | 261 |
| 4 | FY19 | 607 |
| 5 | FY20 | 1,005 |
| 6 | FY21 | 337 |
| 7 | FY22 | 610 |
| 8 | FY23 | 1,522 |
| 9 | FY24 | 5724 |

*Source: WRDA*

Ecommerce and Q-commerce in India driving the warehouses demand.

**E-commerce** in India has experienced growth in recent years, driven by increasing internet penetration, smartphone usage, and a growing middle class with rising disposable incomes. The sector is diverse, encompassing everything from online retail and grocery shopping to digital services and entertainment. Major players like Amazon, Flipkart, and Reliance are competing with newer entrants, while niche platforms cater to specialized segments like fashion, electronics, and local goods. Government initiatives such as Digital India and the expansion of the Unified Payments Interface (UPI) have played a pivotal role in fostering the growth of e-commerce by improving digital infrastructure and making transactions seamless. E-commerce in India is expected to continue expanding, driven by the increasing preference for convenience, the rise of online payment systems, and the growing adoption of e-commerce in smaller cities and rural areas.

**Q-commerce** has quickly changed the retail and last-mile delivery scene in India due to the rising need for quick, effective, and convenient services. Due to the widespread use of mobile internet and the increase in online shopping, especially for groceries and essential items, q-commerce has become a dominant player in the nation's e-commerce industry. As of 2023, the gross merchandise value (GMV) of quick commerce in India had surged to US$ 2.3 billion, marking a growth of more than 70% compared to the year before. It is estimated that the sector will experience a CAGR of 27.9% from FY22 to FY27.

Leading players such as Blinkit owned by Zomato, Swiggy Instamart, Dunzo, as well as newcomers like Zepto are fuelling this expansion. These services use technology, such as sophisticated algorithms, data analytics, and route optimization, to achieve incredibly speedy deliveries. The Q-commerce models have developed from traditional central warehouses to smaller warehouses, or "dark stores" placed nearer to consumers, resulting in quicker delivery times, usually within 10-20 minutes.

**Pre-Fabricated and Pre-Engineered construction industry in India**

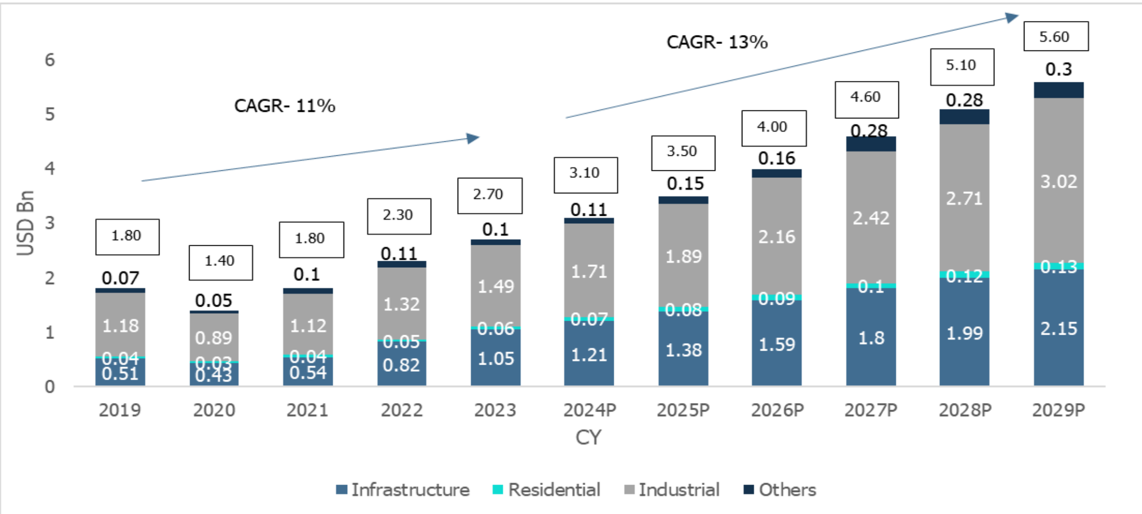
**Overview of supply-side trend segment**
**Trend in Industry size of Pre-Fabricated and Pre-Engineering Industry -by types**

The Construction industry is broadly divided into residential, industrial and infrastructure construction. Pre-Engineering Industry can also be divided into the above categories.

**Pre-Engineering Construction Market**

The PEB market is expected to grow at a CAGR of 13% from CY24 to CY29 driven by the growth in the construction sector and demand for quick construction and sustainable buildings, with the highest growth anticipated in warehouses, cold storage, and data centres. The market is majorly dominated by industrial construction.

**Chart 31: Market Size of PEB in various construction sector**



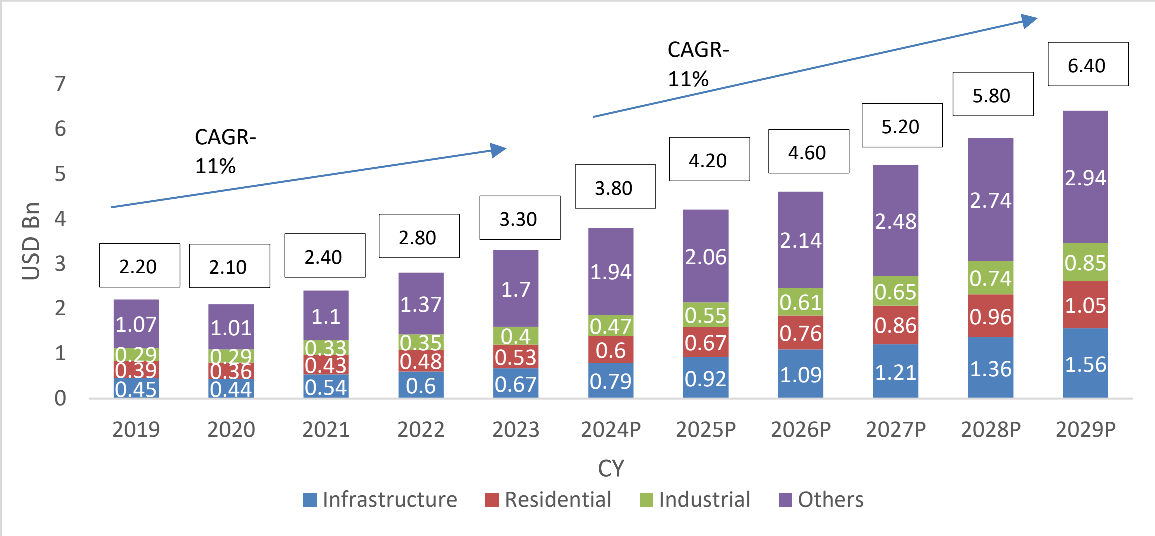

*Source: Maia Research, CareEdge Research*

Onsite project management capabilities are a pivotal factor in the evaluation of pre-engineered steel building suppliers as construction industry is usually riddled by long projects. Hence, project management expertise becomes extremely important to ensure timely completion and avoid costs overrun as it helps in the adherence to timelines, budget constraints, and high-quality standard.

**Pre- fabricated Construction Market**

The Pre-fabricated construction market is expected to grow at a CAGR of 11% from CY24 to CY29 driven by the overall demand in the construction sector. The market is dominated by infrastructure sector because it is convenient to construct large constructions using Pre-fabricated methods.

**Chart 32: Market Size of Pre- Fabricated in various construction sector**




*Source: Maia Research, CareEdge Research*

Overview of key players and manufacturing landscape in pre-fabrication and pre-engineering industry

The manufacturing landscape of the prefabricated and pre-engineered building industry in India is evolving rapidly, driven by factors like the push for affordable housing, industrial growth, urbanization, and the demand for sustainable building practices.

| Company | Sector Focus | Projects | Production Capacity (MT/ annum) |
|---|---|---|---|
| **Epack Prefab** | Epack is a player in the Indian construction industry, with a presence in prefabricated and pre-engineered buildings. The company is involved in both the **design** and **manufacturing** of pre-engineered buildings, especially in sectors like **industrial construction, warehouses, commercial spaces**, and **affordable housing.** | Epack has been involved in several large-scale projects, including **factories, warehouses, airports,** and **residential complexes** where prefabricated and pre- engineered solutions have been used. | 1,33,924 |
| **Kirby Building Systems** | Kirby is a leader in pre- engineered steel buildings (PEBs) in India, specializing in steel structures for a wide range of applications, including warehouses, factories, industrial sheds, commercial buildings, and storage facilities. | Kirby's structures have been used in a variety of sectors, including automobile manufacturing, warehousing, distribution centres, and retail. | 3,00,000 |
| **Phenix Construction Technologies** | Phenix is Pre-Engineered Buildings ("PEBs") provider with installed capacity of 103,800 MTPA, having two manufacturing units – one at Sanand, Gujarat and another at Cheyyar, Tamil Nadu. | Phenix has supplied buildings for several large industries and companies across India, construction of bridges, flyovers, power plant structures and other industrial applications. | 1,03,800 |
| **Zamil Steel Buildings** | Zamil Steel, a part of Zamil Group, is a leading manufacturer of pre-engineered buildings and steel structures in India, providing solutions for industrial, commercial, and residential projects. | Zamil Steel has completed numerous large-scale industrial and commercial projects, including warehouses, factories, and logistics hubs. | 1,00,000 |
| **Everest Industries** | Everest Industries is an Indian company that primarily focuses on the manufacturing and marketing of building products and solutions. It is known for its range of pre-engineered buildings, roofing | Everest Industries is involved in several infrastructure projects, including industrial buildings warehouses, Hangars etc. | 72,000 |

| Company | Sector Focus | Projects | Production Capacity (MT/ annum) |
|---|---|---|---|
| | solutions, and other construction materials. | | |
| **Interarch Building Products Ltd** | Interarch provides turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for the installation and erection of pre-engineered steel buildings. | Interach Building Products Ltd has provided PEBs for indoor stadiums, warehouses and various industrial and residentials applications. for | 1,61,000 |

Structure of the Industry

The structure of the prefabricated and pre-engineered (PEB) industry is organized into several segments that cater to diverse types of construction and industrial needs. This industry primarily revolves around the manufacturing of components (like walls, floors, roofs, etc.) in a factory, which are then transported to the construction site for assembly. It is widely used in sectors like commercial, industrial, residential, and infrastructure projects.

The PEB and prefabricated building markets have both organized and unorganized segments, with the organized sector being dominated by large players that adhere to industry standards and regulations. Here is a breakdown of the market:

**a. Organized Sector consisting Key Players**

- **Large EPC Companies**: These companies manage large projects and often lead the market in terms of volume. They have established relationships with clients across sectors like infrastructure, industrial, commercial, and residential. They take the EPC contract and outsource the PEB parts.
    - Example: Larsen &Turbo, Tata Projects, etc.
- **Manufacturers of Prefabricated Systems and Components**: These are large firms that design, manufacture, supply, and erect prefabricated components such as steel frames, walls, roof panels, and modular structures.
    - Examples: Ardee Engineering, Tata BlueScope Steel, Zamil Steel, Interarch, Everest Industries, and Kirby Building Systems.
- **Project Management and Construction Firms**: These firms provide end-to-end solutions and manage large prefabricated or pre-engineered building projects. They offer services from design to construction.

**b. Unorganized Sector**

- **Small & Medium Enterprises (SMEs)**: This segment consists of smaller, regional players that may lack the technological sophistication and larger-scale manufacturing capabilities of the organized sector. They typically cater to local markets or small-scale projects.
- **Local Fabricators**: Smaller companies often handle only specific components like steel frames, panels, or roofing systems, serving niche markets.
- **Contractors**: There are many local or regional contractors who deal with smaller scale prefabrication projects, and they may not follow the same industry standards as the larger companies.

Regulatory Framework for the Industry

Key Regulatory Aspects Governing the Prefabricated and Pre-Engineered Building Industry in India

**1. Building Codes and Standards**

The Bureau of Indian Standards (BIS) is responsible for formulating and enforcing technical standards for construction materials and practices, including for prefabricated and pre-engineered buildings.

- IS 800: 2007 – General Construction in Steel - Code of Practice
- IS 875 (Part 2) – Code of Practice for Design Loads
- IS 2062: 2011 – Steel for General Structural Purposes

2. **National Building Code of India (NBC) 2016**

The National Building Code (NBC) of India provides a comprehensive set of guidelines and standards for building design, construction, and safety. It covers all aspects of construction, including prefabricated and pre-engineered buildings, and establishes minimum standards for building safety, including:

- **Structural Safety**
- **Fire and Safety Regulations**
- **Energy Efficiency**

3. **Environmental Regulations**

India's regulatory landscape also includes specific environmental and sustainability standards to promote green and energy-efficient buildings.

- **Environmental Impact Assessment (EIA):**

  Under the Environment Protection Act, 1986, the EIA Notification (2006) requires an environmental impact assessment for certain construction and infrastructure projects.

- **Green Building Certifications:**

  LEED India (Leadership in Energy and Environmental Design) certification is a globally recognized standard for green buildings. BREEAM (Building Research Establishment Environmental Assessment Method) and IGBC (Indian Green Building Council) certifications are also popular in India and encourage the adoption of eco-friendly building materials and technologies.

Porter's five forces analysis of the Industry

1. **Threat of New Entrants**

| | Threat of New Entrants |
|---|---|
| **Barriers to Entry** | The entry barriers for inexperienced players in the prefabricated and pre-engineered building industry are relatively low, especially for modular construction and prefabricated components. Basic manufacturing units can be established without large-scale capital investment, and technology adoption is increasingly accessible. However, in high-end PEBs and large-scale commercial projects, substantial investment in advanced technologies (e.g., automated fabrication processes) and certifications (e.g., ISO, IS standards) is required. |
| **Threat from New Entrants** | The growth potential in India's infrastructure, housing, and commercial sectors makes the market attractive to new entrants. Local players can enter the market with a focus on affordable housing, modular homes, or specialized industrial buildings. However, brand recognition, quality standards, and distribution networks will be critical to competing against established players. |
| **Government Support** | India's policy initiatives such as the PMAY (Pradhan Mantri Awas Yojana) and Make in India provide support to new entrants, especially in affordable housing and modular construction. Government incentives for green buildings and pre-engineered steel may encourage start-ups and smaller companies to enter the industry. |

## 2. Bargaining Power of Suppliers

| | Bargaining Power of Suppliers |
|---|---|
| **Concentration of Suppliers** | The supply chain for materials such as steel, precast concrete, insulation materials, and cladding for prefabricated and pre-engineered buildings is concentrated among a few large suppliers in India. Major steel producers like Tata Steel, JSW Steel, and Jindal Steel dominate the market. Raw material costs, particularly steel and aluminium, significantly impact the overall cost structure of pre-engineered buildings, giving suppliers considerable bargaining power, especially when the global prices of these materials fluctuate. |
| **Switching Costs** | The cost of switching suppliers for specialized materials (e.g., pre-fabricated panels or steel beams) can be high due to the quality, consistency, and regulatory requirements involved in construction. However, in terms of modular and smaller-scale prefabricated projects, alternative suppliers or local vendors can be explored, reducing the bargaining power of key suppliers |
| **Technology and Innovation** | Suppliers that can provide innovative materials (e.g., lightweight concrete panels, energy-efficient insulation, advanced steel for PEBs) may have higher bargaining power, as these innovations are in demand for green buildings and sustainability. |

## 3. Bargaining Power of Buyers

| | Bargaining Power of Buyers |
|---|---|
| **Buyer Characteristics** | The buyers in this industry include real estate developers, industrial businesses, government agencies, and housing authorities. These buyers often have substantial purchasing power, especially when they represent large-scale infrastructure or affordable housing projects. The government (through schemes like PMAY or smart city initiatives) is a significant buyer of prefabricated housing solutions, giving it substantial bargaining power in terms of pricing and contractual terms. |
| **Customization and Differentiation** | The degree of customization available in prefabricated buildings affects buyer power. If buyers can demand customized designs, the bargaining power of buyers increases, as they can push for competitive pricing and features that match their needs. However, high-quality pre-engineered buildings (PEBs) or highly specialized projects often offer fewer choices and increase the power of suppliers and contractors who are in control of advanced construction technologies. |
| **Availability of Alternatives** | If buyers are looking for cost-effective housing solutions, prefabricated buildings offer a clear alternative to traditional brick-and-mortar construction, but for large-scale commercial projects, they may have fewer options. This reduces the buyer power in high-value or specialized projects. |

## 4. Threat of Substitutes

| | Threat of Substitutes |
|---|---|
| **Traditional Construction** | Conventional construction methods (brick and mortar, concrete, etc.) remain a significant substitute, especially for residential and small-scale projects. These methods have been the standard for decades and are often perceived as more durable and established, despite the growing adoption of pre-fabrication techniques. |
| **Alternative Technologies** | New construction technologies, such as 3D printing, modular homes, and rammed earth construction, are emerging as substitutes to prefabricated buildings. However, these technologies are still at an early stage of adoption in India and are not yet widely commercialized at scale, so their threat remains moderate. |
| **Sustainability Trends** | Prefabricated and pre-engineered buildings are often seen as more sustainable and environmentally friendly than traditional methods. This is a key competitive advantage for PEBs, but substitutes that focus on green construction, like solar-powered homes or eco-friendly materials, may pose a challenge in the long term. |

## 5. Industry Rivalry

| | Industry Rivalry |
|---|---|
| **Number of Competitors** | The prefabricated and pre-engineered building industry in India is highly competitive, with numerous local and international players like L&T, Kirby, Zamil Steel, Tata BlueScope, Jindal, Vinar Systems, and smaller regional companies competing for market share. There is intense competition in the market, especially for industrial PEBs, warehouses, and affordable housing, where players compete based on price, quality, and speed of delivery. |
| **Growth of the Market** | The growing demand for affordable housing and industrial infrastructure in India ensures an elevated level of competition among industry players to capture a share of the expanding market. Companies that can offer innovative designs, energy-efficient solutions, and cost-effective construction will have a competitive advantage. |

### Overview of demand- side trend in the segment

### Key Demand Drivers for the Industry

| Demand Drivers | Description |
|---|---|
| **Technical Factors** | The integration of automation and digital technologies in the design and manufacturing of prefabricated components has significantly improved construction efficiency. These technologies enable faster assembly, better quality control, and reduced material waste. Additionally, modular construction techniques allow for quick assembly of pre-designed units, reducing on-site time and labour costs, making prefabricated buildings ideal for affordable housing and industrial uses. |
| **Time and Cost Factors** | With components like steel, panels, and roofing pre-manufactured in factories, on- site assembly is much faster than traditional methods, leading to quicker project completion. This is especially valuable for large-scale infrastructure, commercial buildings, and affordable housing projects. Prefabricated buildings (PEBs) also offer cost savings through economies of scale, better cost control, less waste, and more efficient use of materials. |
| **Environmental Impact and Benefits** | The PEB industry in India contributes to sustainable construction by reducing carbon emissions compared to traditional methods. Off-site manufacturing minimizes material waste, energy consumption, and emissions. The use of recyclable materials, like steel and aluminium, supports a circular economy, reducing the need for raw resources. |
| **Growth in Demand for Industrial Structures** | India’s push to become a global manufacturing hub is increasing demand for cost-effective, scalable industrial buildings such as warehouses, factories, and logistics hubs. The growth of e-commerce, retail, and logistics further fuels the need for large, modern warehousing facilities that can be quickly constructed. |

### Key Pros in Pre-Fabricated and Pre- Engineering Construction Industry

| Pros | Description |
|---|---|
| **Faster Time of construction** | Prefabricated and pre-engineered buildings (PEBs) significantly reduce the time required for construction. With components manufactured off-site in controlled factory conditions, on-site assembly is faster and more streamlined. This accelerated construction process helps developers meet tight deadlines and reduces disruptions, making PEBs an attractive solution for both residential and commercial projects. |
| **Cost-Effectiveness** | Prefabricated construction offers substantial cost savings compared to traditional methods. The use of standardized components and mass production in factories allows for better economies of scale, lower material costs, and reduced Labour expenses. Additionally, the shorter construction time leads to lower overheads and operational costs, making PEBs a cost-effective alternative for developers and end- users. |
| **Control over quality** | With pre-fabrication taking place in factory-controlled environments, there is a higher level of consistency and quality in the production of components. Stringent quality checks and automated processes reduce the chances of errors or defects that are more common in on-site construction. This leads to better structural integrity, enhanced safety, and more durable buildings. |
| **Sustainability of the buildings** | PEBs are typically more sustainable than traditional buildings due to their efficient use of materials, reduced waste, and the ability to incorporate energy-efficient solutions such as solar panels or insulated walls. The use of recyclable materials, like steel and aluminium, and the potential for disassembly and reuse at the end of a building’s life cycle further contribute to the environmental benefits of prefabricated construction. |
| **Design Flexibility and Customization** | Modern prefabricated buildings offer a high degree of design flexibility. Advanced manufacturing technologies, like BIM (Building Information Modelling), allow for precise customization of buildings to suit specific needs and preferences. PEBs can be adapted for a |

| Pros | Description |
|---|---|
| | wide range of applications, from residential homes to industrial warehouses, providing developers with a tailored solution to meet the unique demands of each project. |

**Key Challenges of Pre-Fabricated and Pre- Engineering Construction Industry**

| Challenges | Description |
|---|---|
| **High Initial Investment** | While the long-term cost benefits of PEBs are significant, the initial investment required for setting up manufacturing units and acquiring advanced construction technologies can be quite high. This capital expenditure may be a barrier for smaller players or new entrants in the market. Additionally, factory setup costs, training, and supply chain establishment can delay returns on investment. |
| **Logistical and Transportation Challenges** | The transportation of prefabricated components from manufacturing units to construction sites can be challenging, particularly in remote or rural areas. Large, bulky items require specialized transportation, which can increase costs and lead to potential delays. Moreover, the prohibitive cost of logistics can be a barrier for projects in geographically challenging locations or those with limited infrastructure. |
| **Design and Engineering Limitations** | Despite technological advancements, there are still certain design limitations when using prefabricated elements. While customization is possible, prefabricated components must adhere to standardized manufacturing processes, which can limit architectural flexibility. Complex or highly innovative designs that do not align with standard pre-fabrication methods may face challenges in terms of structural integrity or cost-effectiveness. |
| **Dependency on Supplier Reliability** | The success of prefabricated construction depends heavily on the timely delivery and quality of components from suppliers. Delays in the manufacturing process, transportation issues, or supply chain disruptions can significantly impact project timelines and budgets. Therefore, strong relationships with reliable suppliers and effective supply chain management are essential for minimizing risks and ensuring smooth project execution. |

**Overview of Material Handling and Processing System and Equipment in India**

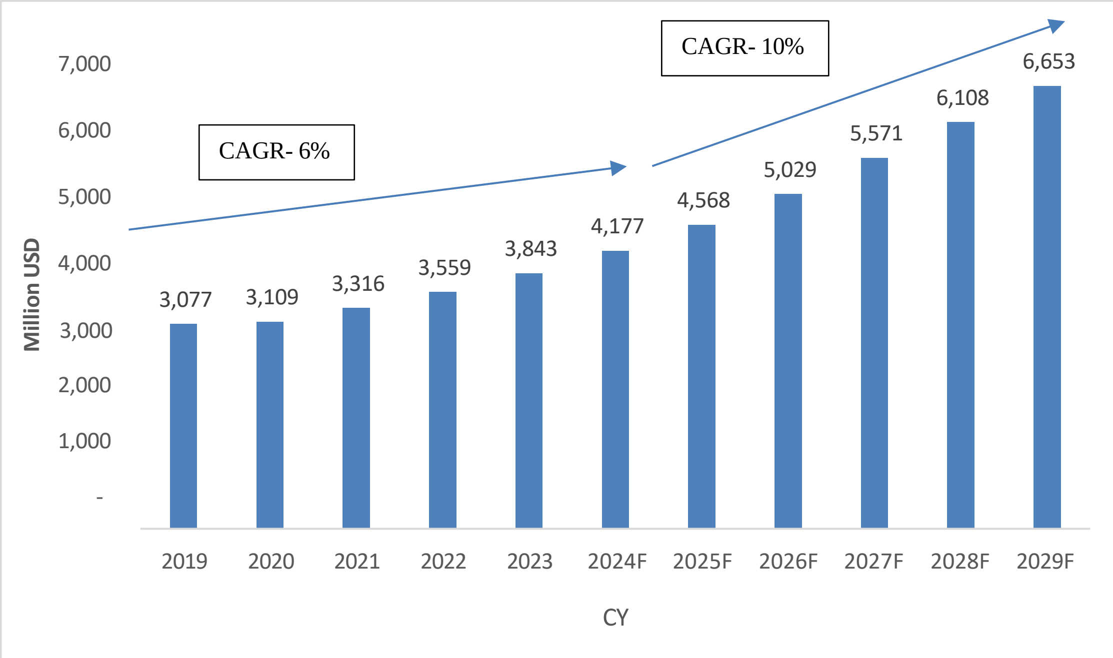
**Overview of Material Handling System market in India**

The material handling system (MHS) market in India is growing rapidly, driven by the expanding industrial base, rising e-commerce, and the increasing demand for automation in manufacturing. MHS involves the movement, storage, protection, and control of materials throughout production, warehousing, distribution, and consumption stages.

The main goal is to improve efficiency, minimize manual labour, reduce material damage, and ensure smooth goods flow in the supply chain. By automating material movement, these systems streamline operations, reduce errors, and lower costs. Well-designed MHS are essential for maintaining productivity, safety, and compliance with quality standards. Efficient systems are crucial for optimizing supply chain performance in manufacturing, warehouses, and distribution centres.

As India’s manufacturing sector focuses on global competitiveness, adopting advanced MHS is vital for operational excellence and sustainability. The material handling industry supports smooth processing across sectors, with Engineering Procurement and Construction (EPC) services providing solutions for power, steel, mines, ports, and specialty conveyors. EPC services in material handling integration have grown with India’s industrialization, offering end-to-end solutions from design to post-installation support. With India’s expanding manufacturing and logistics sectors, the demand for sophisticated EPC solutions focused on sustainability, energy efficiency, and digitalization will continue to rise.

**Chart 33: Trend in Material Handling System Market in India**




*Source: Maia Research, CareEdge Research*

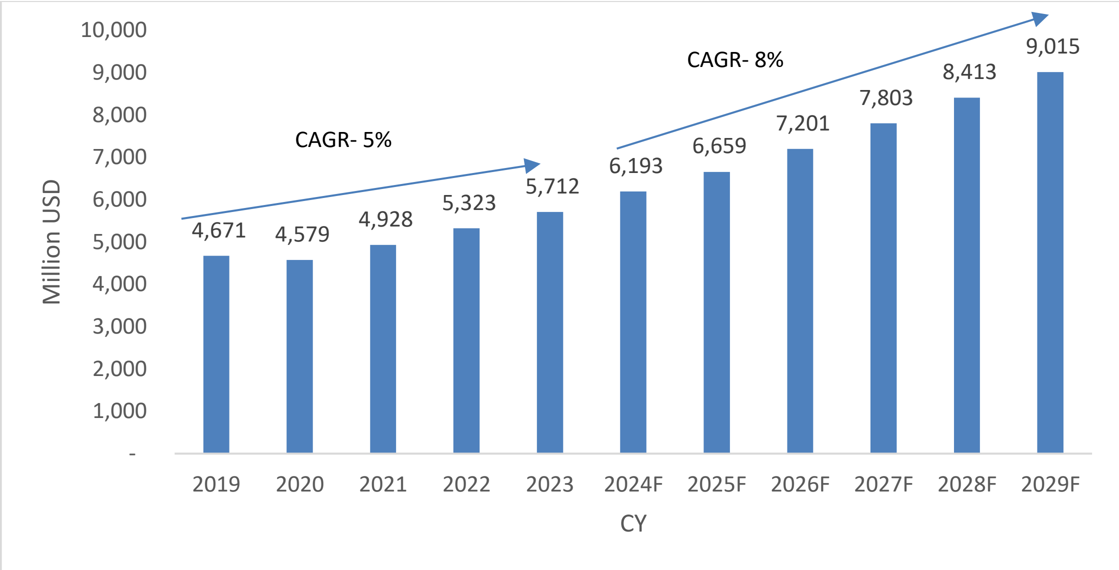
The Material Handling System Market in India is expected to grow at a CAGR of 10% from CY24 to CY29 to reach USD 6,653 Million driven by increase in industrializations, ecommerce, improvement in Infrastructure in India.

Overview of Material Processing System Market in India

The material processing system market in India is experiencing significant growth, driven by the country's expanding industrial sectors, including mining, manufacturing, construction, and automotive. This market includes a wide range of equipment such as crushers, grinders, screening systems, conveyors, and sorters, catering to industries like mining, cement, steel, and chemicals. Examples of material processing systems are – mineral beneficiation, coal washeries, custom engineered solutions used in process industries.

The material processing system market grew at a CAGR of 5% from CY19 to CY23 and it is expected to grow at a CAGR of 8% from CY24 to CY29 driven by industrialization and infrastructure development are major growth drivers, with sectors such as construction, mining, cement, and steel seeing robust expansion.

**Chart 34: Trend in Material Processing System Market in India**

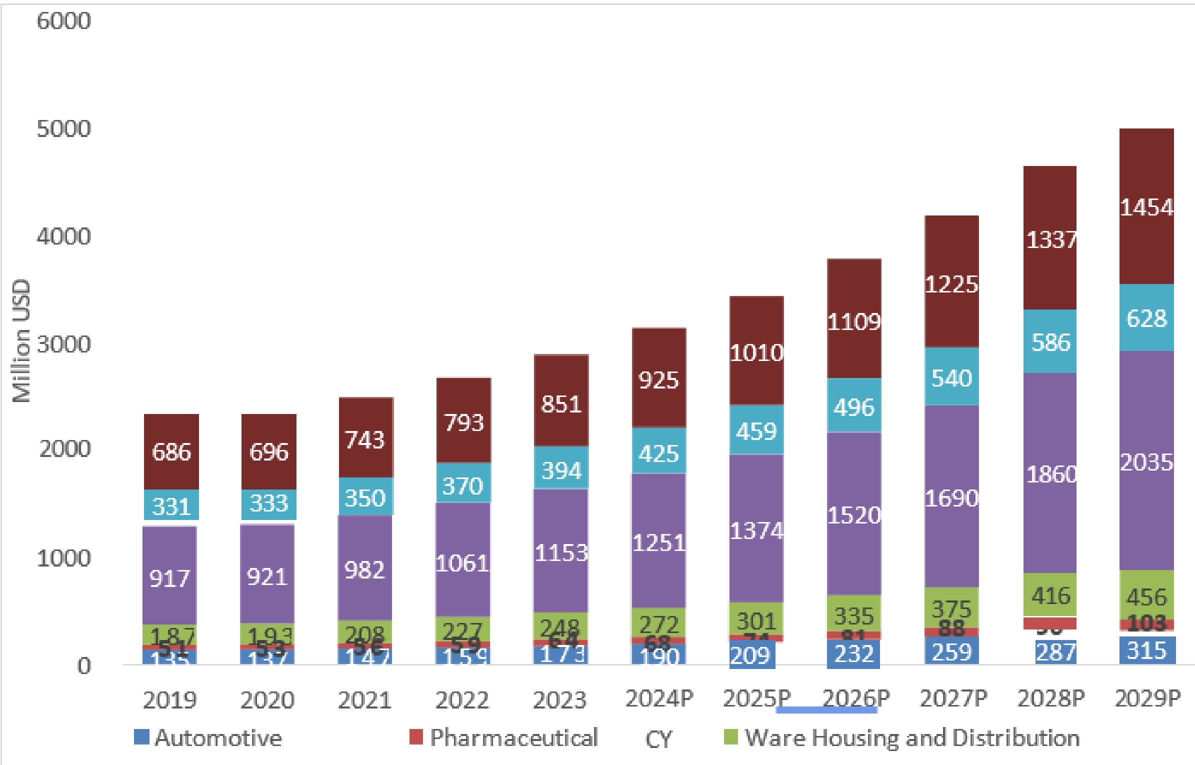



*Source: Maia Research, CareEdge Research*

Market Size of Material Handling Equipment Segment- by user

Material handling is applicable across various industries. Material handling systems are used in various industries and settings to efficiently process, move, store, control, and protect materials and products throughout the manufacturing, warehousing, and distribution processes. It involves the use of manual, semi-automated, and automated equipment to facilitate the movement and storage of materials within the warehouse.

**Chart 35: Market Size of Material Handling Equipment Market in various Industries**




*Source: Maia Research, CareEdge Research*

**Automotive:**

India's automotive sector is adopting advanced material handling systems (MHS) to enhance efficiency, reduce costs, and meet the demand for higher production volumes and faster delivery times. The market for material handling equipment in the automotive sector grew at a CAGR of 6% from CY19 to CY23 and is projected to grow at 11% from CY23 to CY29.

**Pharmaceutical:**

The pharmaceutical sector in India is increasingly using advanced material handling equipment (MHE) to meet demands for efficiency, safety, and regulatory compliance. The market for MHE in the pharmaceutical sector grew at a CAGR of 6% from CY19 to CY23 and is expected to grow at 8% from CY23 to CY29, driven by automation, smart technology, enhanced compliance, and sustainability.

**Warehousing and Distribution:**

The MHE market in India's warehousing and distribution sector is growing rapidly due to the rise in e- commerce, retail, and the need for efficient supply chain operations. From CY19 to CY23, the market grew at a CAGR of 7% and is expected to grow at 11% from CY23 to CY29, driven by automation, smart technologies, lean practices, and sustainability.

**Construction:**

In India's construction industry, the demand for advanced material handling equipment (MHE) is increasing due to automation and mechanization aimed at improving efficiency, reducing labour dependency, and enhancing safety. The market for MHE in construction grew at a CAGR of 6% from CY19 to CY23 and is expected to grow at 10% from CY23 to CY29.

**Mining:**

In India's mining sector, the adoption of material handling equipment (MHE) is evolving to meet demands for efficient, safe, and sustainable operations. Automated solutions like conveyor systems, haul trucks, and draglines are increasingly used to transport materials like coal and ores. The MHE market in mining grew at a CAGR of 4% from CY19 to CY23 and is projected to grow at 8% from CY23 to CY29.

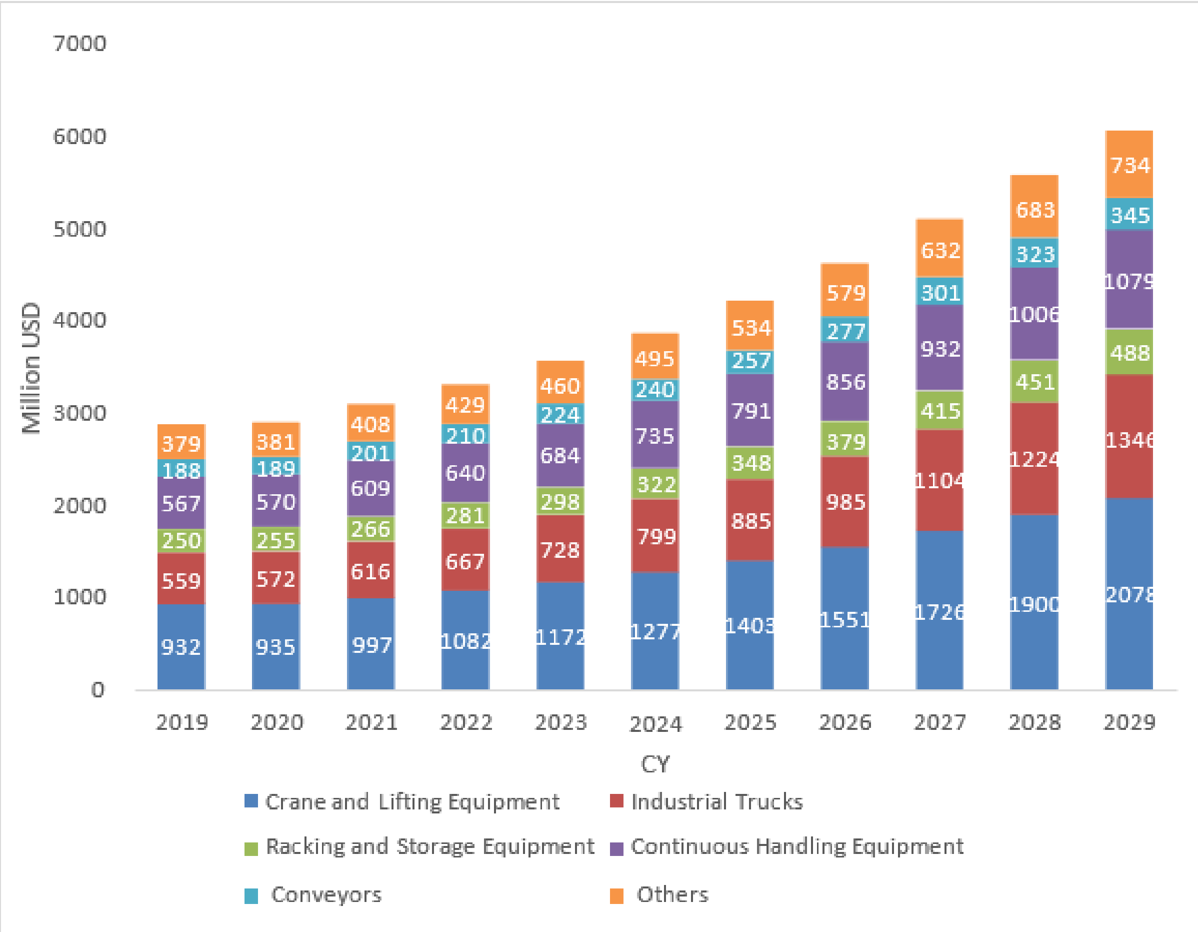
Types of Material Handling Systems and Material Processing Systems

Material handling systems can be classified into several types based on the materials being moved, the level of automation, and the specific tasks they are designed to perform. Bulk material handling systems, which focus on the movement of enormous quantities of raw materials, are critical in industries like mining, cement, and agriculture. Material Handling Systems refers to automated handling equipment systems, including cranes, racking and storage equipment, Warehouse robots, etc.

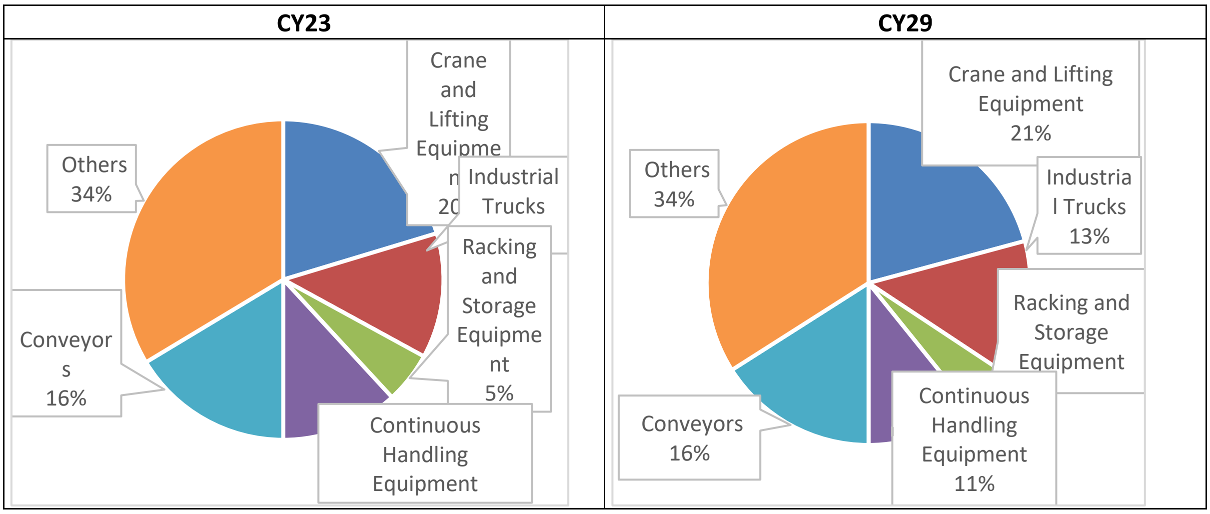
As industries evolve, the integration of automated, semi-automated, and even robotic material handling systems is becoming increasingly important to meet the demands for efficiency, safety, and environmental sustainability.

The Material Handling System is the integration of specific equipment aligned in the desired manner to transport material from one place to another. Material handling equipment is classified into four main categories: storage and handling, bulk material, industrial trucks, and engineered systems.

**Chart 36: Trend in Material Handling Equipment Market in India**




*Source: Maia Research, CareEdge Research*




*Source: Maia Research, CareEdge Research*

**Crane and Lifting Systems:**

The market for cranes and lifting systems in India has grown significantly from 2019 to 2029, driven by infrastructure development, industrial expansion, and urbanization. Increasing automation demand in construction, mining, and manufacturing sectors, along with rising labour costs and safety regulations, is boosting the adoption of automated lifting solutions.

**Industrial Trucks:**

With the growth of warehousing and distribution, especially due to e-commerce, demand for material handling equipment like forklifts and pallet trucks has surged. From 2023, the market is shifting toward electric industrial trucks, aligning with sustainability trends. By 2029, electric vehicles (EVs) and a growing rental and leasing market will offer cost-effective and flexible solutions for businesses.

**Racking and Storage Systems:**

As urbanization and consumer demand for fast deliveries rise, businesses are investing in efficient storage solutions. From 2023, the trend is shifting to advanced racking systems like automated storage and retrieval systems (ASRS), enhancing warehouse automation and reducing labour costs. The focus on sustainability is driving the adoption of eco-friendly and durable materials in storage equipment.

**Continuous Handling Equipment:**

Industries like mining, cement, automotive, and logistics are increasingly adopting continuous handling equipment such as conveyors, chutes, and automated systems to improve efficiency and reduce labour costs. As infrastructure and industrial projects expand, the focus is on automation, efficiency, and energy- efficient, environmentally sustainable equipment.

**Conveyors:**

As industries such as automotive, food and beverage, pharmaceuticals, and manufacturing grow, the need for efficient, automated material handling solutions has increased. From 2023, there's a shift towards smart conveyors with real-time tracking, predictive maintenance, and improved efficiency. The demand for energy-efficient conveyors and eco-friendly materials is rising, with a focus on customized, flexible solutions and greater adoption of automation and robotics for faster production and distribution processes.

Advantages of Material Handling System

| | |
|---|---|
| **Increased Efficiency** | A well-designed material handling system significantly improves the efficiency of operations by automating the transportation, storage, and retrieval of materials. With systems such as conveyors, businesses can move materials faster and more consistently compared to manual handling. This reduction in time spent on material handling activities leads to smoother workflows and more productive operations, allowing companies to meet tighter deadlines and increase throughput. |
| **Reduced Labour Costs** | Automation in material handling systems reduces the need for manual labour, lowering the overall workforce requirements. By using equipment like forklifts, cranes, and automated storage systems, businesses can decrease the reliance on human workers for repetitive, strenuous tasks. This leads to a reduction in labour costs, as well as minimizing the risks of human error and injury, which are common in manual material handling operations. |
| **Improved Safety** | Material handling systems, particularly those involving automation and mechanized equipment, enhance workplace safety by reducing human involvement in potentially hazardous tasks. Automated cranes, conveyors, and other equipment can move heavy and dangerous materials without exposing workers to risks such as heavy lifting injuries, accidents, or exposure to harmful substances. This helps organizations comply with safety regulations and create a safer working environment. |
| **Better Space Utilization** | Material handling systems optimize the use of space within a facility, warehouse, or production plant. Automated storage and retrieval systems (AS/RS) and vertical storage systems allow companies to store materials in a more compact, organized manner, maximizing the available space. This is especially beneficial in industries where space is limited and can help businesses avoid the need for costly expansions or relocations. |
| **Enhanced Inventory Control** | By integrating material handling systems with inventory management software, companies can achieve better control over their stock. These systems provide real- time data on the location and status of materials, improving visibility and tracking. This leads to fewer stockouts, reduced excess inventory, and better forecasting, ultimately improving the accuracy of orders and reducing inventory-related costs. |
| **Improved Product Quality** | A good material handling system ensures that materials are moved, stored, and processed with care, which helps maintain product quality. Automated systems are less likely to cause damage to goods compared to manual handling, especially for fragile or sensitive materials. For example, the use of conveyor belts designed to minimize vibrations and shocks can help ensure that products reach their destination in optimal condition. |
| **Increased Flexibility** | Modern material handling systems are designed to be flexible and adaptable to distinct types of materials and operational needs. Automated equipment can be reconfigured to handle different product sizes, weights, and shapes, allowing companies to adjust quickly to |

| | |
|---|---|
| | changes in demand or production processes. This flexibility helps businesses respond more efficiently to market fluctuations, product changes, or seasonal demand shifts. |
| **Cost Savings** | While the initial investment in a material handling system can be substantial, the long-term cost savings are significant. Automation reduces the need for labour, minimizes operational downtime, reduces product damage, and enhances overall productivity. These efficiencies translate into lower operational costs, higher throughput, and improved profitability over time. |

**Overview of key players and manufacturing landscape in Material Handling System**

| Company | Sector Focus | Projects |
|---|---|---|
| **Larsen & Toubro Limited** | Larsen & Toubro Limited, incorporated in 1938, is a leading Indian multinational company renowned for its expertise in engineering, construction, and manufacturing. In the field of Pre-Engineered Buildings (PEBs), L&T offers innovative, cost-effective, and sustainable solutions for industrial, commercial, and infrastructure projects. | Larsen & Toubro Limited (L&T) has been instrumental in executing numerous material handling systems projects across India, particularly in sectors such as power, steel, mining, and ports. |
| **Kalpataru Projects International Limited** | Kalpataru Projects International Limited (KPIL), incorporated in 1981, is a leading global engineering, procurement, and construction (EPC) company specializing in power transmission and distribution, railways, oil and gas pipelines, and civil infrastructure. | Kalpataru Projects International Limited (KPIL) is a prominent Engineering, Procurement, and Construction (EPC) company in India, specializing in sectors such as power transmission and distribution, buildings and factories, water supply and irrigation, railways, oil and gas pipelines, urban mobility, highways, and airports. |
| **Macmet Engineering Limited** | Macmet Engineering Limited, incorporated in 1974, is a leading Indian company specializing in the design, engineering, and manufacture of material handling systems and water infrastructure projects. It is renowned for its expertise in supplying overland belt conveyors, pipe conveyors, and other advanced bulk material handling solutions for industries such as power, steel, cement, and mining. | Macmet Engineering Limited (MEL) is a leading provider of bulk material handling solutions and water screening equipment in India, serving core sectors such as cement, power, steel, mining, and ports. |

*Note: Although L&T and Kalpataru Projects International Limited are key MHS players, they operate at a much larger scale*

Overview of Mining Sector

The growth of the mining sector directly influences the demand for **material handling** and **material processing systems** in several keyways. As mining activities increase and evolve, there is a higher need for efficient, safe, and scalable systems to manage the movement, processing, and storage of extracted materials.

India is endowed with vast reserves of rare earth elements, mineral salts, iron ore, bauxite, chromium, manganese ore, and baryte. With the introduction of the Mines and Minerals (Development and Regulation) Amendment Act 2021 and the National Mineral Policy 2019, India offers significant potential for investors seeking to participate in the country's metal industry. In the coming years, the Indian metals and mining industry is anticipated to undergo significant transformation due to initiatives like the Made in India Campaign, Smart Cities, Rural Electrification, and the National Electricity Policy's emphasis on developing renewable energy projects along with increased infrastructure development.

**Table 7: Number of Reporting Mines**

| Sector | FY20 | FY21 | FY22 | FY23(P)* | FY24(P)* |
|---|---|---|---|---|---|
| Metallic minerals | 602 | 608 | 545 | 817 | 795 |
| Non-metallic minerals | 783 | 767 | 774 | 1253 | 1241 |
| **All Minerals (Total)** | **1,385** | **1,375** | **1,319** | **2070** | **2036** |

*Source: Ministry of Mines website accessed on Dec 18, 2024 Note: (P) stands for provisional figures*

In 2023-24, among the 2,036 reporting mines, Madhya Pradesh accounted for the highest number with 394 mines, followed by Gujarat with 291 mines, Andhra Pradesh with 182 mines, Tamil Nadu with 222 mines, Karnataka with 177 mines, Odisha with 147 mines, Chhattisgarh with 139 mines, Rajasthan with 113 mines, Maharashtra with 110 mines, and Jharkhand with 67 mines.

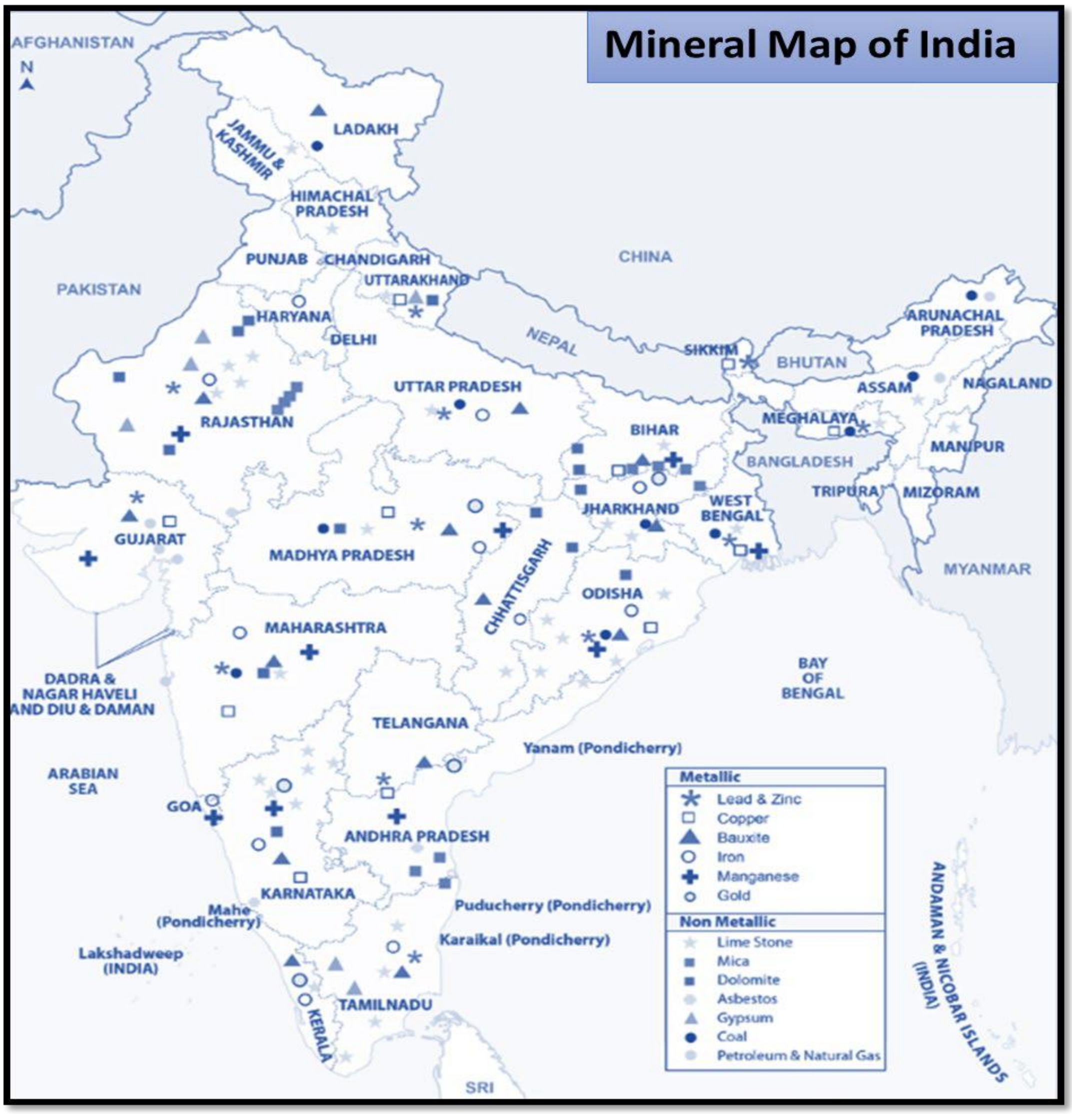
**Table 8: Production of Principal Minerals & Metals, 2024 (Million Tonnes)**

| Sector | Production Quantity |
|---|---|
| Metallic Minerals | 425.8 |
| Industrial Minerals | 379.9 |
| Total | 805.7 |

*Source: Ministry of Mines website accessed on Dec 18, 2024*

As India moves toward renewable energy and electric vehicles, the country's need for essential minerals (copper, manganese, zinc, indium, lithium, cobalt, and rare earth elements) is anticipated to rise. The increasing need for renewable energy is expected to cause the demand for essential minerals to surge fourfold by 2040, according to the International Energy Agency. Modern technologies such as solar panels, wind turbines, transmission networks, batteries, mobiles, flat-screen monitors, electric vehicles (EVs), drones, jet engines, and satellites depend on critical minerals.

**Chart 37 : Mineral Map of India**




*Source: Maps of India*

**Capex requirement in mining industry directly presents itself as a growth in the demand for Material handling and processing systems**

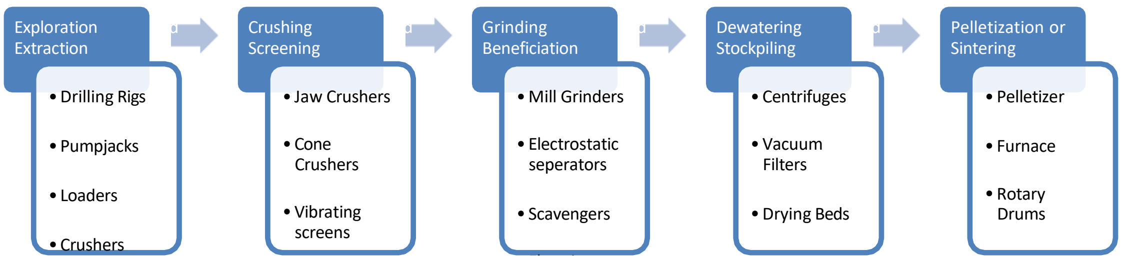
The increase in capital expenditure in the mining industry is closely tied to the expansion and upgrading of mining operations, which directly leads to a higher demand for material handling and material processing systems. As mining companies allocate more capital for growth and improvement, it typically results in the adoption of more advanced and scalable systems to handle the increased complexity of operations. Larger operations require more sophisticated material handling systems to move greater volumes of raw materials, ores, and waste. This translates into higher demand for conveyors, cranes, automated trucks, and rail transport.

For larger mines, especially those in remote areas, there is often a need for long-distance material transport systems, such as conveyor belts or rail systems. These systems are essential to move materials from extraction points to processing plants or storage facilities.

As part of capital investment, mining companies are moving toward automation to improve productivity and reduce labour costs. Systems such as automated conveyor systems etc. being adopted for material movement and processing tasks. This requires a substantial Capex investment, driving growth in the demand for more advanced material handling and processing technologies.

Increased capital expenditure enables the construction or expansion of processing plants. Larger plants require more robust and sophisticated material handling systems to manage higher volumes of ore, waste, and finished products. This includes systems such as crushing, milling, sorting, and smelting equipment that need to move materials seamlessly between various stages of processing. Mining companies will also invest in advanced processing technologies, such as flotation systems, chemical treatments, and ore sorting machines. These processes often require specialized material handling systems, such as wet handling systems, magnetic conveyors, and hydraulic transport systems, to ensure the efficient movement of materials through various stages. With more materials being extracted, companies must enhance their storage capacities, leading to a demand for automated storage and retrieval systems and palletizers to manage the increased inventory.

Material Processing in mining sector




In the mining sector, material processing refers to the various stages through which mined ore is transformed into usable products or concentrates. Each stage in the material processing process serves a specific purpose, such as breaking down materials, extracting valuable minerals, and preparing the product for shipment. Below is an explanation of each key stage in material processing:

**1. Exploration and Extraction**

Exploration is the initial phase in the mining process, where geologists and engineers search for ore deposits. Exploration activities may involve geological surveys, remote sensing, geophysical testing, and drilling to identify and map valuable mineral resources.

Extraction refers to the actual process of removing ore (minerals or metals) from the earth. This can be done through surface mining (open-pit mining) or underground mining (shaft or drift mining), depending on the depth and location of the ore body.

**2. Crushing and Screening**

Once the ore is extracted, it is often too large to process directly, so it is first subjected to crushing. Crushing involves breaking the ore into smaller, more manageable pieces. This is typically done using crushers such as jaw crushers, cone crushers, and impact crushers.

Screening follows crushing and involves sorting the crushed material based on particle size. This is done using vibrating screens or rotary screens to separate materials into smaller size fractions, which can then be further processed accordingly.

3. **Grinding and Beneficiation**

Grinding is the process of reducing the size of the crushed ore even further. This is typically done in mills, such as ball mills or rod mills, where the material is ground to a fine powder. The purpose of grinding is to liberate valuable minerals from the surrounding waste rock (gangue).

Beneficiation involves a series of processes designed to enhance the concentration of valuable minerals by separating them from the gangue (waste material). Beneficiation processes may include:

- **Flotation:** A chemical process used to separate valuable minerals from gangue by making the minerals hydrophobic (repelling water) so that they float to the surface and can be collected.

- **Magnetic Separation:** Uses magnets to remove magnetic minerals from the ore.

- **Gravity Separation:** Utilizes differences in density between minerals to separate them (e.g., using shaking tables or jigs).

- **Leaching:** A chemical process in which a solvent is used to dissolve valuable metals (such as gold or copper) from the ore.

4. **Dewatering and Stockpiling**

Dewatering is the process of removing water from the ore or concentrate. Water is often introduced during grinding, flotation, or other beneficiation processes. Excess water must be removed to improve the handling and transport of materials.

After dewatering, the processed materials are often stored in stockpiles. Stockpiling refers to the storage of concentrate or tailings at the mining site. Stockpiles allow for the controlled handling and shipment of the final product.

5. **Pelletization or Sintering**

Pelletization and Sintering are processes used to agglomerate fine particles into larger, more manageable forms. These processes are commonly used for iron ore processing but can also apply to other ores.

Pelletization involves compressing fine ore particles into small, round pellets using a pelletizing machine. The pellets are then heated in a furnace to harden them. The resulting pellets are easier to handle, and transport compared to fine ore.

Sintering is the process of fusing fine particles into larger agglomerates by heating them to elevated temperatures (but not melting them). This is done in a sintering furnace where the ore particles are mixed with a binder and heated to create a solid mass.

Trend across the country and relevant environmental policies driving demand

Environmental sustainability is a growing priority in India’s manufacturing sector. The shift toward energy-efficient material handling systems, such as electric forklifts and automated conveyors, is driven by the need to reduce emissions. Key government policies influencing this trend include:

- **National Action Plan on Climate Change (NAPCC)**: Promotes energy efficiency and renewable energy, encouraging industries to adopt eco-friendly material handling systems.

- **Make in India and Atmanirbhar Bharat**: These initiatives focus on self-reliance and industrial modernization, encouraging the adoption of automation and efficient systems to improve competitiveness.

- **Energy Efficiency Improvements**: The Bureau of Energy Efficiency’s Perform, Achieve, and

- Trade (PAT) scheme incentivizes industries to enhance energy efficiency.

- **Sustainable Transport Solutions**: Government policies, such as the National Electric Mobility Mission Plan (NEMMP), encourage electric vehicle adoption in material handling and logistics, aiming to reduce emissions in warehouses and distribution centres.

### Key Drivers and Challenges

| | |
|---|---|
| **Automation and Technological Advancements** | Rapid developments in robotics, IoT-enabled systems, and AI are driving the adoption of material handling systems. These technologies enhance speed, accuracy, and efficiency, reducing labour costs and improving inventory control. Industries aiming for higher productivity and lower operational costs are increasingly adopting advanced solutions. |
| **Growth of E-Commerce and Retail** | The rise of e-commerce has increased the demand for efficient, automated material handling systems like sorting systems, conveyors, and robotic picking. These systems enable rapid order fulfilment and ensure timely deliveries, helping businesses meet customer expectations and handle high order volumes. |
| **Need for Increased Efficiency and Productivity** | Automation of repetitive tasks and optimization of supply chains are critical for reducing costs and improving productivity. Material handling systems support lean manufacturing and just-in-time inventory practices, ensuring smooth operations in warehouses and manufacturing units. |
| **Safety and Compliance Regulations** | Workplace safety and regulatory compliance are key drivers for adopting systems like automated forklifts and cranes. These systems reduce manual labour in hazardous tasks, minimizing accident risks and ensuring adherence to safety standards for handling dangerous materials. |
| **Opening of New Mining Operations** | India's expanding mining sector demands advanced systems such as automated conveyors, crushers, and stackers for efficient management of extracted materials. These systems enhance transportation, reduce operational costs, and support the sector's growth, particularly for minerals like coal and iron ore. |
| **Environmental Regulations** | Stringent regulations on air and water pollution, waste management, and land reclamation are driving investment in sustainable systems like water recycling facilities and low-emission crushers. The push for eco-friendly technologies ensures compliance with environmental standards and promotes efficient, sustainable material handling. |

### Challenges of Material Handling Systems

| | |
|---|---|
| **High Initial Investment Costs** | Advanced material handling systems, including robotics and smart technologies, require significant capital investments, which can deter small and mid-sized companies despite long-term savings. |
| **Integration with Existing Systems** | Integrating new systems with legacy equipment and processes can be complex and costly. Compatibility issues may necessitate expensive upgrades, creating operational challenges in industries with fragmented supply chains. |
| **Maintenance and Downtime** | High-tech systems require regular maintenance, and breakdowns can lead to costly downtimes and operational disruptions. The need for skilled technicians adds to the cost and complexity of managing these systems. |
| **Workforce Skill Gaps** | The shift to automation and advanced technologies increases the need for skilled workers in areas like robotics and IoT. Training and upskilling the workforce are time-consuming and costly, posing a challenge for industries with traditionally low-tech workforces. |

### Key Government Initiatives

| Initiatives | Details |
|---|---|
| **Make in India Initiative** | Launched in 2014, this initiative aims to transform India into a global manufacturing hub by encouraging production units in the country. It has driven demand for modern material handling equipment to streamline manufacturing processes and enhance productivity. Supported by programs like Production Linked Incentive (PLI) Schemes, PM Gati Shakti, National Logistics Policy, and GST reforms, it is a major driver of economic growth. |
| **Infrastructure Development Plans** | Initiatives like the National Infrastructure Pipeline (NIP) and Bharatmala Pariyojana are boosting demand for advanced material handling systems in construction, mining, and logistics. New highways, ports, and logistics hubs require automated material handling technologies for efficient transport, storage, and management. |

| | |
|---|---|
| **Faster Adoption of Electric and Green Technologies** | The government promotes green and sustainable technologies to reduce carbon emissions. Policies supporting electric vehicles (EVs) in material handling, such as electric forklifts and conveyors, drive the adoption of eco-friendly solutions. Incentives for energy-efficient systems reduce costs and environmental impact. |
| **Financial Incentives and Support for Manufacturing Equipment** | Financial incentives and subsidies encourage companies to invest in advanced material handling systems. Schemes like the PLI program make it financially viable for businesses to adopt high-tech solutions, supporting the sector's growth. |

**Overview of Heavy Structural and Precision Engineering Industry**

Heavy structural fabrication is the process of manufacturing large and complex structures from metal components, often involving the assembly of beams, columns, trusses, and other structural elements.

These structures serve as the foundation for a wide range of industries, from construction and infrastructure to oil and gas, aerospace, and more.

Key Processes in Heavy Steel Fabrication:

1. **Design and Engineering:**
    - Blueprints and Specifications: The fabrication process begins with detailed engineering drawings and blueprints, outlining the dimensions, materials, and assembly methods.
    - Structural Analysis: Engineers conduct structural analysis to ensure the design meets safety standards and performance requirements.
2. **Material Selection:**
    - Steel Grades: Different grades of steel are chosen based on the application, such as carbon steel for widespread use or alloy steel for specific strength requirements.
    - Quality Control: Materials are inspected for defects and in compliance with industry standards before fabrication begins.
3. **Cutting and Shaping:**
    - Plasma Cutting: Uses a high-temperature plasma arc to cut steel sheets and plates with precision.
    - Oxy-Acetylene Cutting: Employs a combination of oxygen and acetylene gases to cut through thick steel.
    - Shearing and Punching: Mechanical processes to cut or punch steel into required shapes.
4. **Welding and Joining:**
    - Arc Welding: Uses an electric arc to melt and join steel pieces together. Common methods include MIG (Metal Inert Gas) and TIG (Tungsten Inert Gas) welding.
    - Submerged Arc Welding: A high-productivity welding method where the arc is submerged under a layer of flux to protect it from contamination.
    - Pre-Fabrication: Components are welded and assembled in sections before being transported to the construction site.
5. **Machining and Finishing:**
    - Drilling and Milling: Precision machining processes to create holes, slots, and other features in steel components.

- Grinding and Polishing: Finishing processes to achieve smooth surfaces and remove imperfections.

- Coating and Painting: Protective coatings and paints are applied to prevent corrosion and enhance appearance.

6. **Assembly and Erection:**

- On-Site Assembly: Large structures are assembled on-site using cranes and other heavy equipment.

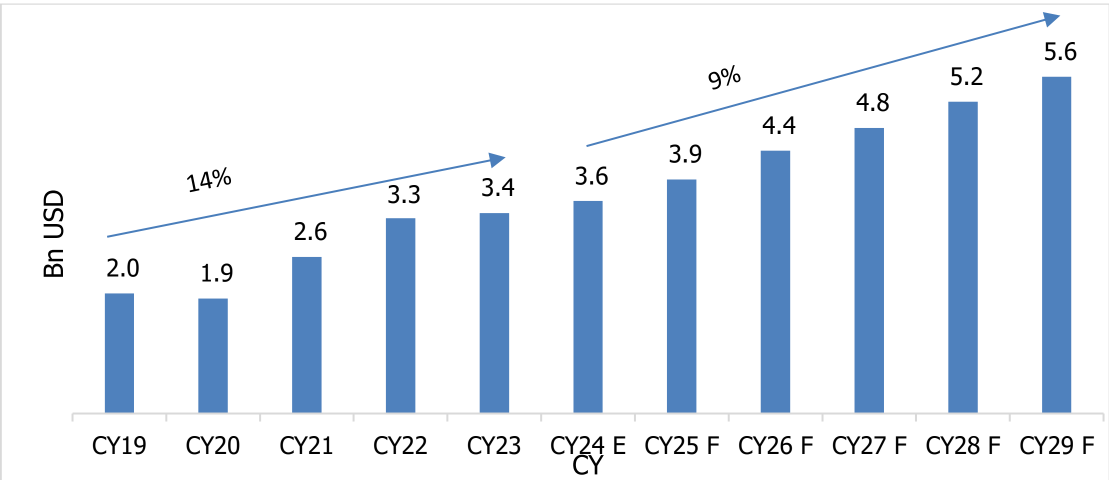
- Quality Checks: Final inspections are conducted to ensure that the fabricated components meet design specifications and safety standards.

**Applications of Heavy Steel Fabrication**

| Sector | Applications |
|---|---|
| **Construction and Infrastructure** | **Bridges**: Fabricated steel beams and trusses provide strength and durability. **High- Rise Buildings**: Structural steel frames support skyscrapers and high-rises. **Industrial Facilities**: Steel structures are fabricated to support heavy machinery in factories, warehouses, and processing plants. |
| **Manufacturing and Machinery** | **Heavy Machinery**: Fabrication of components for cranes, excavators, and other large machinery. **Industrial Equipment**: Production of large-scale equipment such as pressure vessels and storage tanks. |
| **Energy Sector** | **Power Plants**: Fabrication of steel structures for thermal, hydroelectric, and renewable energy plants. **Oil and Gas**: Steel components for drilling rigs, pipelines, and refineries. |
| **Transportation** | **Railways**: Steel fabrication for railway tracks, train stations, and rolling stock. **Ships and Marine**: Construction of steel hulls and structural components for ships and offshore platforms.<br><br>**Aerospace**: Precision manufacturing for aircraft components and structures. |

**Trend in Heavy Structural and Precision Engineering Industry**

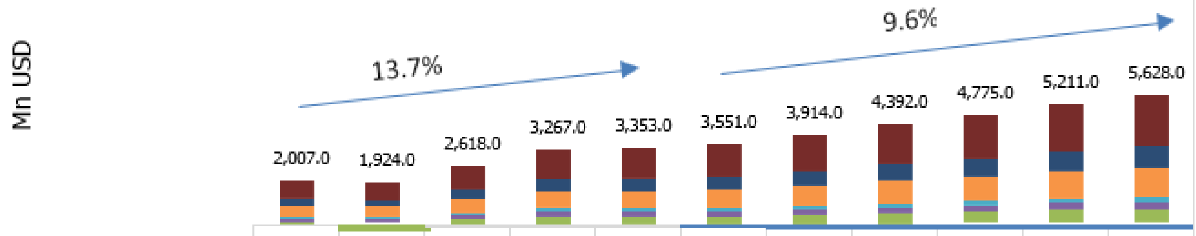
**Chart 38: India Heavy Structural and Precision Engineering Market Size (USD Billion)**




*Source: MAIA Research*

The India Heavy Structural and Precision Engineering market has shown significant fluctuations in recent years. In CY19, the market value was 2.0, but it slightly declined by 4.14% in CY20 to USD 1.9 Billion. However, the market rebounded strongly in CY21 with a growth rate of 36.07%, reaching a value of USD 2.6 Billion. This upward trend continued in CY22, with a 24.79% increase, bringing the market value to USD 3.3 Billion. By CY23, the market value further increased to 3.4 Billion, albeit with a modest growth rate of 2.63%. The heavy structural and precision engineering market is expected to grow at a CAGR of 9% from CY24 to CY29 to reach USD 5.6 Billion.

**Chart 39: India Heavy Structural and Precision Engineering Market Value by End User CY19- CY29 (USD Million)**




| | CY19 | CY20 | CY21 | CY22 | CY23 | CY24 E | CY25 F | CY26 F | CY27 F | CY28 F | CY29 F |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 2,007.0 | 1,924.0 | 2,618.0 | 3,267.0 | 3,353.0 | 3,551.0 | 3,914.0 | 4,392.0 | 4,775.0 | 5,211.0 | 5,628.0 |
| Others | 778.0 | 746.0 | 1,013.0 | 1,264.0 | 1,294.0 | 1,370.0 | 1,507.0 | 1,687.0 | 1,831.0 | 1,992.0 | 2,146.0 |
| Railways & Metro | 298.0 | 290.0 | 400.0 | 506.0 | 526.0 | 563.0 | 628.0 | 712.0 | 782.0 | 862.0 | 942.0 |
| Roads & Bridges | 446.0 | 426.0 | 577.0 | 718.0 | 735.0 | 775.0 | 851.0 | 951.0 | 1,030.0 | 1,120.0 | 1,206.0 |
| Dam Gates | 91.0 | 86.0 | 114.0 | 140.0 | 142.0 | 148.0 | 161.0 | 178.0 | 192.0 | 208.0 | 222.0 |
| Oil and Gas | 135.0 | 127.0 | 169.0 | 207.0 | 211.0 | 218.0 | 238.0 | 264.0 | 284.0 | 306.0 | 327.0 |
| Power and Energy | 182.0 | 176.0 | 241.0 | 303.0 | 313.0 | 334.0 | 372.0 | 422.0 | 463.0 | 510.0 | 555.0 |
| Aerospace | 21.0 | 21.0 | 29.0 | 36.0 | 38.0 | 40.0 | 45.0 | 51.0 | 56.0 | 62.0 | 66.0 |
| Defense | 56.0 | 54.0 | 74.0 | 93.0 | 95.0 | 102.0 | 112.0 | 127.0 | 138.0 | 151.0 | 164.0 |

CY

*Source: MAIA Research*

The India Heavy Structural and Precision Engineering market has seen diverse growth across sectors. The defence sector grew at a CAGR of 14.1% from CY19 to CY23, with a forecasted 10.0% growth from CY24 to CY29. Aerospace experienced a 16.0% CAGR up to CY23 and is expected to grow at 10.5%. The power and energy segment had a CAGR of 14.5%, projected to grow at 10.7%.

The oil and gas sector grew at 11.8% CAGR, with an 8.4% forecasted growth. Dam gates also grew at 11.8%, with the same forecasted growth rate of 8.4%. Roads and bridges grew at 13.3% CAGR, with a forecast of 9.2%, while railways and metro systems had a strong CAGR of 15.3%, expected to grow at 10.8%.

The ‘others’ category, including smaller segments, grew at 13.6%, with a forecasted 9.4%. Overall, the market grew at 13.7% from CY19 to CY23 and is projected to grow at 9.6% from CY24 to CY29, reflecting steady expansion across all sectors.

Advantages and Challenges of Heavy Structural Fabrication

Heavy Structural Fabrication refers to the process of manufacturing large, load-bearing structures (such as beams, columns, trusses, and steel plates) for use in construction projects, particularly in industries like building construction, bridges, industrial plants, and infrastructure. The process involves the design, cutting, shaping, welding, and assembling of materials, often steel or reinforced concrete, to create components that can be assembled on-site.

- **Advantages-**

| Advantages | Description |
|---|---|
| **Precision and Customization** | • **Tailored Components**: Fabrication allows to produce highly customized components tailored to the specific needs of the project, including unusual or complex designs.<br>• **Accuracy**: The fabrication process involves advanced machinery (e.g., CNC machines, robotic welding) which ensures elevated levels of precision and consistency in components, reducing errors and improving the quality of the final structure. |
| **Infrastructure Development** | • **Critical Infrastructure**: Heavy structural construction is essential for the development of roads, bridges, ports, airports, and other key infrastructure. These projects are the backbone of national and regional economies. |

| Advantages | Description |
|---|---|
| | • **Urbanization and Growth**: Structural projects, such as high-rise buildings, commercial centres, and industrial complexes, are vital in accommodating growing populations and expanding economies. |
| **Technological Advancements** | • **Innovative Designs and Materials**: The heavy structural industry often leads the way in developing new construction techniques, materials, and technologies, such as high-strength steel, prefabrication, and advanced robotics.<br>• **Sustainability and Efficiency**: Increasing emphasis is placed on eco-friendly building materials, energy-efficient designs, and reducing carbon footprints, which contribute to sustainable development. |
| **Long-Term Durability** | • **Longevity of Structures**: Heavy structural works, such as bridges, dams, and factories, are built to last for decades, providing a long-term return on investment and serving critical functions for years |
| **High-Precision Work** | • **Precision Engineering**: Heavy structural projects require elevated levels of precision, which results in the development of highly skilled engineers, designers, and craftsmen, contributing to knowledge transfer and skill development in the workforce. |

- **Challenges-**

| Challenges | Description |
|---|---|
| **High Initial Capital Investment** | • Expensive Equipment: Heavy structural fabrication requires significant investment in advanced machinery, tools, and technologies, including welding machines, CNC equipment, and quality control systems. These costs can be a barrier for smaller companies or for businesses starting in the sector.<br>• Facility Setup: The need for large-scale workshops or fabrication plants adds to the upfront costs. In addition, the space required for storing raw materials and fabricated parts can be costly. |
| **Supply Chain and Material Costs** | • Material Availability: Heavy structural fabrication depends heavily on the availability of raw materials, particularly high-strength steel, aluminium, and other metals. Supply chain disruptions (e.g., price fluctuations, shipping delays, or geopolitical issues) can lead to increased costs or delays in production.<br>• Material Handling and Storage: Managing enormous quantities of heavy materials requires significant storage space and efficient handling systems, which can increase operational complexity and costs. |
| **Complexity in Project Management** | • Coordination: Fabrication projects involve coordination between design teams, engineers, suppliers, and fabricators. Managing schedules, material flows, and quality control across multiple parties can be complex.<br>• Design Changes: Changes to design specifications, either during the fabrication phase or after the components are delivered, can lead to costly delays, rework, and potential material wastage. |
| **Environmental Impact** | • Energy Consumption: The fabrication of heavy structures, especially in the steel industry, is energy-intensive. This contributes to a large carbon footprint, particularly if energy is sourced from non-renewable sources.<br>• Waste Management: While fabrication may reduce waste compared to on-site construction, the process still generates scrap materials, which need to be recycled or disposed of properly to minimize environmental impact. |

Overview of Electrical Contracting in India

**Overview of electrical contracting landscape in India**

India is the third largest producer and the second largest consumer of electricity in the world. Consumer electrical industry is one of the important aspects of the Indian economy, contributing approximately 8% to the country’s manufacturing production, approximately 1.5% to India’s GDP and approximately 1.5% to India’s exports.

Major growth drivers include increasing demand for electricity, the rise of smart cities, industrial modernization, renewable energy integration, and government initiatives like “Make in India” and “Smart Cities Mission.” Moreover, the government’s push for infrastructure development and large-scale construction projects (such as highways, airports, metro systems) is a key factor propelling the demand for electrical contractors.

**Key market segments-**

| Sector | Description |
|---|---|
| **Residential** | Electrical contractors manage wiring, lighting systems, and the installation of safety equipment, such as circuit breakers and energy meters, in residential construction. |
| **Commercial** | Provide electrical services for office buildings, retail spaces, and other commercial developments, focusing on sophisticated and energy-efficient systems. |
| **Industrial** | Specialize in electrical infrastructure and maintenance for factories, manufacturing plants, and industrial zones, including high-voltage and automated systems. |
| **Infrastructure & Large Projects** | Handle electrical systems for airports, railways, metro systems, highways, power plants, and water treatment plants, ensuring safety standards and integrating renewable energy solutions. |

The electrical contracting industry in India is governed by several regulations and standards, including the **Indian Electricity Act, 2003,** the **Indian Standards (IS),** and the **National Electric Code (NEC)**. These regulations set the framework for electrical safety, installations, and maintenance practices.

Regulatory framework and compliance requirement for A-1 contractors

In India, electrical contractors, especially those with A-1 classification, must adhere to a variety of regulatory and compliance requirements to operate legally and ensure the safety and quality of their work. The A-1 classification refers to the highest category of electrical contractors under various state- level and national-level licensing and registration systems. This classification typically indicates that the contractor is authorized to undertake high-value and complex electrical works, including industrial, commercial, and infrastructure projects.

**Indian Electricity Act, 2003**

The **Indian Electricity Act, 2003** is the primary legislation governing the generation, transmission, distribution, and use of electricity in India. The act covers:

- Licensing Requirements: Contractors must comply with licensing requirements stipulated by the Central Electricity Authority (CEA) and respective State Electricity Regulatory Commissions (SERCs) to work on high-voltage systems and major electrical infrastructure projects.
- Electrical Safety: The act mandates adherence to safety standards, precautions, and practices during the installation, operation, and maintenance of electrical systems to avoid accidents, electrical fires, and damage to equipment.
- Certification of Electrical Installations: Any electrical installation above a certain voltage level (e.g., 415V or 650V) must be certified by a licensed electrical contractor.

**Central Electricity Authority (CEA) Regulations**

The **Central Electricity Authority** issues regulations that electrical contractors must follow, particularly when working on electrical installations above 650V or in critical infrastructure. Key regulations include:

- Indian Electricity Rules, 1956: Specifies the safety and technical standards that electrical contractors must adhere to when working on electrical systems, including the installation of electrical wiring, earthing, and protection devices.
- Regulations for Grid Connectivity: Contractors involved in renewable energy (e.g., solar or wind) installations or power generation projects must comply with the CEA's grid connection requirements.
- Technical Standards for Electrical Installations: These include technical guidelines and best practices for the installation and maintenance of electrical systems in compliance with national standards (e.g., IS 732 for wiring).

**State Electricity Rules and Licensing Requirements**

Each state in India has its own **Electricity Regulatory Commission** (SERC) that implements and monitors compliance with the Indian Electricity Act, 2003, as well as issues state-specific regulations. **A-1 contractors** must comply with the following at the state level:

- Electrical Contractors License: Contractors must obtain an A-1 or equivalent classification from the State Licensing Board, which certifies them to work on high-value and complex electrical installations.

- Renewal of License: Electrical contractors must renew their licenses periodically (e.g., every 3-5 years) and ensure compliance with continuing education and safety updates.

**National Standards and Codes of Practice**

Contractors must follow national standards and codes of practice established by **Bureau of Indian Standards (BIS)** and other national bodies, such as the **National Building Code (NBC).** Some of the important standards include:

| Standard | Description |
|---|---|
| **IS 732** | Code of practice for electrical wiring installations. |
| **IS 3043** | Code of practice for earthing. |
| **IS 375** | Code of practice for the installation of electrical appliances. |
| **IS 5216** | Code of practice for safety of electrical installations. |
| **National Building Code of India** | Includes electrical safety standards for residential and commercial building construction. |

**License & Registration for Electrical Contractors**

- A-1 Classification: The classification is generally based on criteria such as:
  - Minimum number of years of experience in the electrical contracting industry (typically 10-15 years).
  - Technical qualification and certification of the key personnel (e.g., licensed electricians,
  - engineers).
  - Financial capability and infrastructure to undertake large-scale projects.
- Required Documents: The contractor must submit documents like proof of experience, financial statements, technical qualifications, and business registration documents (e.g., GST registration, PAN card, etc.) to get the A-1 license.

Importance of substations and electrical infrastructure in regional development

Substations and electrical infrastructure are fundamental components of regional development, playing a critical role in enabling economic growth, improving quality of life, and supporting industrialization. Reliable and efficient electrical systems are the backbone of urban, rural, and industrial development, affecting everything from residential power supply to large-scale infrastructure projects.

**1. Reliable Power Supply for Industrial Growth**

- Supporting Industries: A stable and reliable power supply is a key requirement for industries such as steel, cement, textiles, pharmaceuticals, and chemicals, which rely heavily on electricity for production processes.
- Facilitating Industrialization: Regions with inadequate power supply face limitations in industrial expansion, as companies often require uninterrupted power to maintain production schedules and minimize downtime.

**2. Promoting Urbanization and Infrastructure Development**

- Urban Growth: Substations and electrical grids are vital for the expansion of urban areas. As cities grow, the demand for power increases across residential, commercial, and public sectors.
- Smart Cities: In modern urban planning, electrical infrastructure plays a crucial role in developing **smart cities**, where digital technologies are integrated with power management to optimize resources, improve sustainability, and enhance the quality of urban life.

3. **Economic Development and Investment**

- Attracting Investment: Regions with reliable and modern electrical infrastructure are more likely to attract investment.

- Boosting Local Economy: Electrical infrastructure supports local businesses, enabling them to operate efficiently, reduce operational costs, and increase productivity.

4. **Improving Quality of Life**

- Residential Power Supply: Reliable electricity is essential for improving living standards, providing access to modern appliances, and enhancing overall quality of life in both urban and rural areas.

- Healthcare, Education, and Public Services: Power supply is essential for hospitals, schools, government offices, and other public services.

- Rural Electrification: In rural areas, electrical infrastructure is crucial for reducing the urban-rural divide. Electrification brings opportunities such as better healthcare, education, access to information (via the internet), and improved agricultural practices (e.g., irrigation, cold storage).

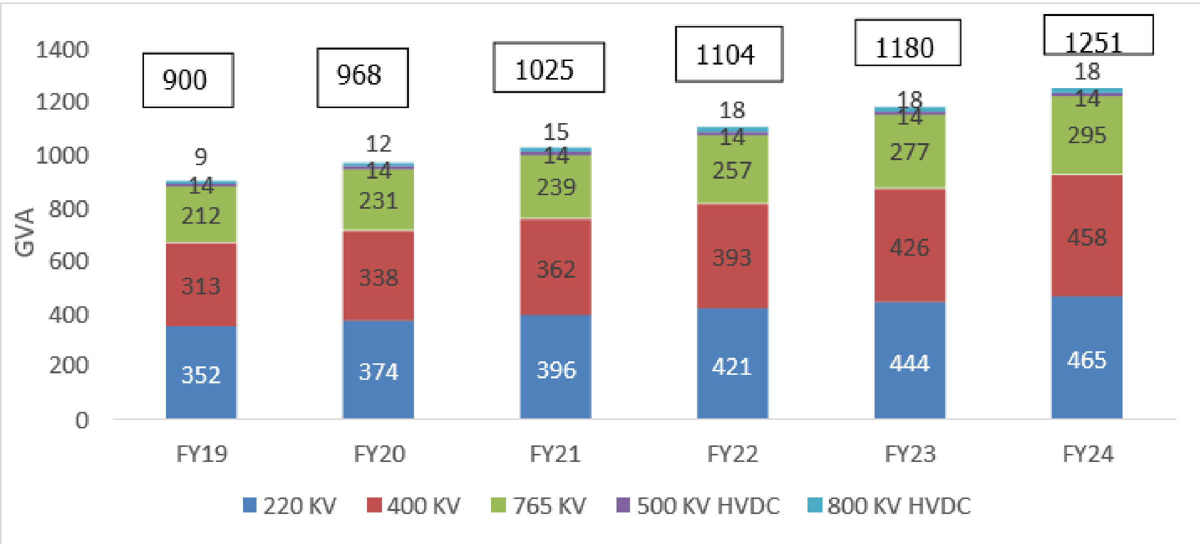
5. **Support for Digital Infrastructure**

- Connectivity and Technology: Modern electrical infrastructure supports the digital backbone of a region, which is essential for IT parks, data centres, and telecommunications.

- Data Centres and Cloud Infrastructure: Data centres, which require massive amounts of uninterrupted power, are a crucial part of regional economic development.

Trend in Substation in India (FY19 to FY24)

**Chart 40: Transformation Capacity (220 kV & Above)**




*Source: Central Electricity Authority, CareEdge Research*

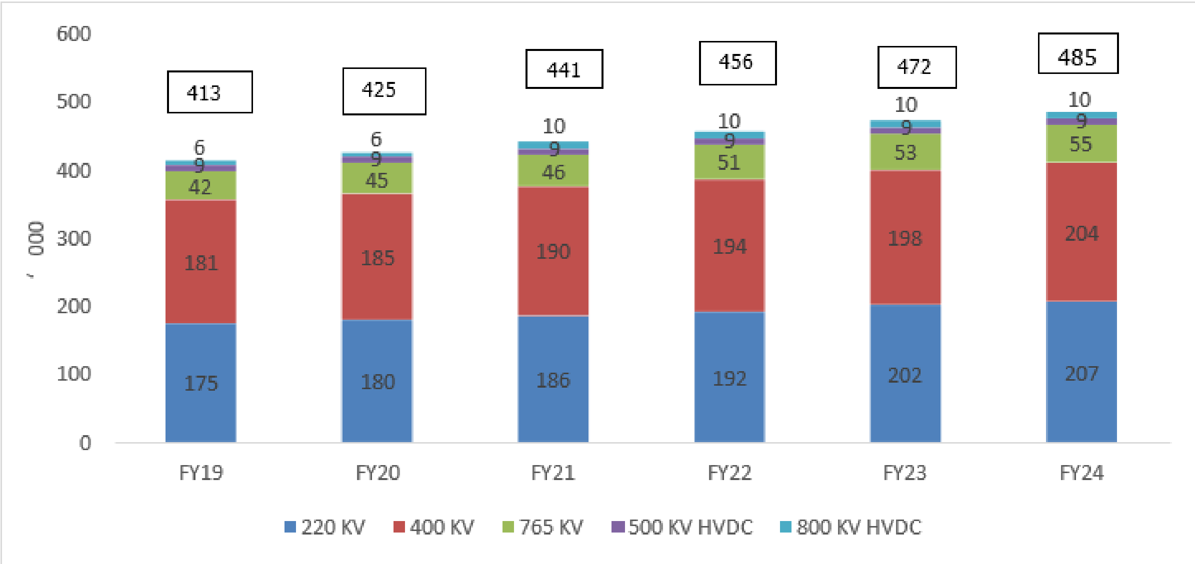
India aims to achieve 500 GW of renewable energy capacity by 2030. As of July 2024, there are 54 transmission projects constructed, and 53 projects are under construction. These include various projects of transmission systems associated with renewable projects and conventional projects in Rajasthan, Karnataka, Maharashtra, etc. These projects are being executed mainly by PGCIL along with private players like Sterlite Power Transmission Limited, Adani Transmission Limited, ReNew Transmission

Ventures Private Limited, etc.Furthermore, the substation line network grew at a CAGR of approximately 7% to 1.25 million MVA as of March 2024 from 0.8 million MVA as of March 2019.

Trend in Transmission lines in India (FY19 to FY24)

The transmission line network grew at a CAGR of approximately 3% to 4,85,544 CKm as of March 2024 from 4,13,407 CKm as of March 2019. During FY24, 14,203 CKm of transmission lines were added to the total network. The transmission line network stood at 4,87,587 CKm as of July 2024. Whereas the transformation line capacity is at 12,65,700 MVA as of July 2024.

**Chart 41: Transmission Line Network (220 kV & Above)**




*Source: Central Electricity Authority, CareEdge Research*

Overview of Testing and Commissioning of Electrical Equipment in India

Testing and commissioning of electrical equipment in India is a crucial process to ensure the safe, reliable, and efficient operation of electrical systems. It involves multiple phases, starting with Factory Acceptance Testing (FAT) to verify equipment compliance with design specifications, followed by Site Acceptance Testing (SAT) to check installation quality on-site. The commissioning tests ensure that all systems are functioning properly under actual operating conditions, while performance testing assesses the system's stability and efficiency. The process also includes final checks, training, and the handover of detailed documentation. Key equipment tested includes transformers, switchgear, cables, motors, control systems, and protection devices, adhering to national standards like IS 3043, IS 375, and IEC standards. Emerging trends include the integration of smart grid technologies, renewable energy systems, and digital tools for more efficient testing and predictive maintenance. This comprehensive approach ensures that electrical systems meet safety, regulatory, and operational standards, contributing to the country's growing energy infrastructure.

**Figure 4: Key Phases of Testing and Commissioning**


*Source: CareEdge Research*

### Key Threats and Challenges

**The engineered building sector faces the following key threats and challenges that can impact its growth and sustainability.**

| Challenge | Description |
|---|---|
| **Rising Cost of Raw Materials** | Fluctuating and increasing costs of essential raw materials like steel, cement, timber, and glass significantly impact project budgets. Contributing factors include global supply-demand imbalances, inflation, and increased energy costs. Price volatility can lead to unforeseen financial strains, project delays, or cost-cutting measures that may compromise quality. |
| **Supply Chain Disruptions** | The sector relies on a global supply chain for materials, equipment, and skilled labour. Disruptions caused by geopolitical issues, trade restrictions, natural disasters, or health crises like COVID-19 can halt projects, delay timelines, and increase costs. Shortages force reliance on alternative suppliers at higher costs, creating uncertainty and requiring robust risk management strategies. |
| **Stringent Environmental Regulations** | Growing sustainability focus demands compliance with stricter environmental regulations, including energy efficiency standards, reduced carbon emissions, and sustainable materials. Compliance often leads to higher upfront costs and investment in innovative technologies and eco-friendly designs. Smaller contractors face financial burdens achieving certifications like LEED or BREEAM. |
| **Labour Shortages and Skills Gap** | A shortage of skilled labour, driven by an aging workforce and a lack of young entrants in trades, hampers productivity, increases errors, and raises labour costs. Specialized skills for modern engineered buildings, such as advanced materials and digital tools, are in high demand. Bridging this gap requires costly training and recruitment efforts, further burdening contractors. |
| **Complexity of Building Designs** | Increasing demand for innovative, high-performance buildings results in more complex designs requiring advanced technologies like smart systems and sustainable solutions. Frequent revisions and customization demand add to challenges. Strong project management and collaboration among stakeholders are essential to avoid delays, cost overruns, and structural issues. |

### Peer Comparison

### Company Profiling

### Ardee Engineering Limited

Ardee Engineering Limited is an Indian company incorporated in 2008, specializes in the design, engineering, manufacturing, and supply of high-quality engineering products and solutions. With a focus on providing customized engineering and innovative solutions, Ardee Engineering serves various sectors including mining, process industries, infrastructure, and industrial applications. The company is known for its expertise in offering products such as steel structures, pre-fabricated buildings, Material Handling and Processing system solutions and custom-engineered solutions. With a strong emphasis on quality, reliability, and customer satisfaction, Ardee Engineering has built a solid reputation in the engineering and construction industries. The company's commitment to technological advancements and sustainability further enhances its position in the market.

Ardee Engineering Limited is the fastest growing integrated design, engineering and manufacturing company based on revenue CAGR between FY22 and FY24, among peers considered. The growing PEB and MHS industries positively impact us by creating increased demand for our wide range of services and offering significant growth potential. The PEB market is projected to grow at a CAGR of 13% from FY24 to FY29 with the highest growth anticipated in warehouses, cold storage, and data centres.

They have a strong track record of executing various complex, challenging engineering projects within India. In the aerospace sector, Ardee supplied three mobile launch pedestals for the PIF project of SDSC SAHR -ISRO at Sriharikota. Some of the details are given below-

| Name and Description of the project | Features |
|---|---|
| Launch Pad of PSLV Integration Facilities ("PIF") Project of Satish Dhawan Space Centre, Sriharikota, Indian Space Research Organisation ("SDSC SAHR- ISRO") | Executed the Supply, Manufacturing, Transportation and Erection of the Mobile Launch Pedestals ("MLP"). Each of these MLPs weigh approximately 245 tons. |

**Table 9: KPIs of Ardee Engineering Limited (Rs. Million)**

| Ardee Engineering Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue from operations | 2,168.64 | 3,312.52 | 6,209.90 | 2,882.82 |
| Order Book | 3,176.32 | 5,828.31 | 7,218.00 | 7,612.81 |
| EBITDA | 90.96 | 248.59 | 606.49 | 350.59 |
| PAT | 12.86 | 109.13 | 291.05 | 155.97 |
| Net Debt | 712.58 | 725.75 | 1,605.71 | 1,654.82 |
| Total Equity | 120.78 | 331.31 | 873.11 | 1,030.97 |
| ***Ratios*** | | | | |
| EBITDA Margin | 4.18% | 7.49% | 9.74% | 12.11% |
| PAT Margin | 0.59% | 3.29% | 4.67% | 5.39% |
| Return on Equity | 10.65% | 32.94% | 33.33% | 15.13% |
| ROCE (New) | 7.80% | 16.16% | 20.97% | 11.04% |
| Net Debt/ EBITDA | 7.83 | 2.92 | 2.65 | 4.72 |
| Net Debt / Total Equity | 5.90 | 2.19 | 1.84 | 1.61 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Pre-engineered building | 1,556.62 | 1,353.83 | 3,111.75 | 1,447.20 |
| Material handling systems | 329.35 | 1,508.47 | 1,221.21 | 705.41 |
| Engineering Services | 282.67 | 444.10 | 1,872.11 | 711.90 |
| Other | - | 6.12 | 4.83 | 18.31 |
| Total Revenue | 2,168.64 | 3,312.52 | 6,209.90 | 2,882.82 |

*Source: Company Annual Reports, CareEdge Research*

**Peers for Pre- Engineering Buildings**

**Interarch Building Products Private Limited**

Interarch Building Products Private Limited is an Indian company incorporated in 1983 specializes in the design, manufacturing, and supply of high-quality building products, particularly in the pre- engineered building (PEB) sector. The company offers a range of solutions, including steel structures, roofing systems, and insulation products, catering to a wide array of industries such as manufacturing, warehousing, and commercial infrastructure. Known for its innovative and sustainable building solutions, Interarch is committed to delivering cost-effective and durable structures.

**Table 10: KPIs of Interarch Building Products Private Limited (Rs. Million)**

| Interarch Building Products Private Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue from operations | 8,349.42 | 11,239.26 | 12,933.02 | 6,267.00 |
| Order Book | NA | NA | NA | NA |

| Interarch Building Products Private Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| EBITDA | 388.04 | 1,188.45 | 1,260.28 | 602.08 |
| PAT | 171.34 | 814.62 | 862.62 | 409.50 |
| Net Debt | -870.43 | -1,021.48 | -1,261.38 | -3,656.54 |
| Total Equity | 3,183.19 | 3,992.79 | 4,446.25 | 6,763.58 |
| ***Ratios*** | | | | |
| EBITDA Margin | 4.61% | 10.46% | 9.65% | 9.49% |
| PAT Margin | 2.04% | 7.17% | 6.60% | 6.45% |
| Return on Equity | 5.38% | 20.40% | 19.40% | 6.05% |
| ROCE (New) | 8.35% | 26.78% | 25.64% | 8.00% |
| Net Debt/ EBITDA | -2.24 | -0.86 | -1.00 | -6.07 |
| Net Debt / Total Equity | -0.27 | -0.26 | -0.28 | -0.54 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Building Materials | 937.57 | 1204.34 | 2,974.96 | NA |
| Pre-engineered building | 7,213.41 | 9,861.37 | 9,785.87 | NA |
| Others | 198.45 | 173.55 | 172.19 | NA |
| **Total Revenue** | 8,349.42 | 11,239.26 | 12,933.02 | NA |

*Source: Company Annual Reports, CareEdge Research*

**JSW Severfield Structures Limited (JSSL)**

JSW Severfield Structures Limited (JSSL) is a joint venture between JSW Steel Limited and Severfield (UK) Limited, specializing in the design, fabrication, and erection of steel structures. Based in India, JSSL provides comprehensive solutions for a variety of industries, including infrastructure, industrial, and commercial construction. The company is renowned for its high-quality steel products, innovative design capabilities, and expertise in executing large-scale projects and high-rise structures.

**Table 11: KPIs of JSW Severfield Structures Limited (JSSL) (Rs. Million)**

| JSW Severfield Structures Limited (JSSL) | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue from operations | 10,438.31 | 13,839.25 | 13,515.11 | NA |
| Order Book | NA | NA | NA | NA |
| EBITDA | 823.85 | 1,200.74 | 1,302.53 | NA |
| PAT | 201.92 | 318.33 | 330.32 | NA |
| Net Debt | 1,479.99 | 2,528.86 | 867.56 | NA |
| Total Equity | 3,353.20 | 3,673.47 | 4,565.35 | NA |
| ***Ratios*** | | | | |
| EBITDA Margin | 7.87% | 8.65% | 9.57% | NA |
| PAT Margin | 1.93% | 2.30% | 2.44% | NA |
| Return on Equity | 6.02% | 8.67% | 7.24% | NA |
| ROCE (New) | 12.72% | 14.97% | 18.41% | NA |
| Net Debt/ EBITDA | 1.39 | 1.94 | -0.02 | NA |
| Net Debt / Total Equity | 0.34 | 0.63 | -0.01 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Revenue from sale of products and services | 10,066.05 | 13,433.65 | 13,192.77 | NA |
| Other operating revenues | 372.25 | 405.60 | 322.34 | NA |
| **Total revenue** | 10,438.31 | 13,839.25 | 13,515.11 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Pennar Industries Limited**

Pennar Industries Limited is an Indian manufacturing company incorporated in 1988, specializes in the production of high-quality engineered products and solutions. The company operates across diverse sectors including automotive, infrastructure, energy, and construction, offering a wide range of products such as precision steel components, cold-rolled steel, and structural products. Pennar Industries is known for its technological innovation, advanced manufacturing processes, and commitment to quality, serving both domestic and international markets.

**Table 12: KPIs of Pennar Industries Limited (Rs. Million)**

| Pennar Industries Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue from operations | 22,657.50 | 28,946.20 | 31,305.70 | 14,810.60 |
| Order Book | 4,407.60 | 8,000.00 | 8,100.00 | 8,400.00+ |
| EBITDA | 1,884.20 | 2,546.20 | 3,132.80 | 1,601.90 |
| Profit after tax (PAT) | 419.10 | 754.30 | 983.50 | 532.70 |
| Net Debt | 5,469.20 | 4,938.90 | 6,234.80 | 6,951.80 |
| Total Equity | 7,361.30 | 7,789.80 | 8,774.70 | 9,319.30 |
| ***Ratios*** | | | | |
| EBITDA Margin | 8.25% | 8.70% | 9.88% | 10.72% |
| PAT Margin | 1.84% | 2.58% | 3.10% | 3.56% |
| Return on Equity | 5.69% | 9.68% | 11.21% | 5.72% |
| ROCE (New) | 10.19% | 13.60% | 15.38% | 7.31% |
| Net Debt/ EBITDA | 2.90 | 1.94 | 1.99 | 4.34 |
| Net Debt / Total Equity | 0.74 | 0.63 | 0.71 | 0.75 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | HIFY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Diversified engineering | 13,552.10 | 15,112.90 | 16,413.70 | NA |
| Custom designed building solutions & auxiliaries | 10,446.20 | 15,050.10 | 15,839.10 | NA |
| Less: Inter segment revenue | 1,340.80 | 1,216.80 | 947.10 | NA |
| **Total Revenue** | 22,657.50 | 28,946.20 | 31,305.70 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Everest Industries Limited**

Everest Industries Limited is a leading Indian company incorporated in 1934, specializes in manufacturing and providing innovative building products and solutions. Known for its expertise in roofing and pre-engineered buildings, Everest offers a wide range of construction materials, including fibre cement sheets, insulation products, and other building solutions. The company serves various industries, including residential, industrial, and commercial sectors, focusing on delivering high-quality, cost-effective, and eco-friendly products.

**Table 13: KPIs of Everest Industries Limited (Rs. Million)**

| Everest Industries Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue | 13,647.06 | 16,476.34 | 15,754.52 | 8,991.59 |
| Order Book | NA | NA | NA | NA |
| EBITDA | 983.05 | 1,081.15 | 663.03 | 358.72 |
| PAT | 440.85 | 423.60 | 179.98 | 42.32 |
| Net Debt | -1,105.06 | 986.80 | 321.69 | 2,795.28 |
| Total Equity | 5,422.95 | 5,814.56 | 5,974.14 | 6,021.49 |
| ***Ratios*** | | | | |
| EBITDA Margin | 7.05% | 6.40% | 4.16% | 3.96% |
| PAT Margin | 3.16% | 2.51% | 1.13% | 0.47% |
| Return on Equity | 8.13% | 7.29% | 3.01% | 0.70% |
| ROCE (New) | 12.27% | 11.11% | 5.11% | 2.17% |
| Net Debt/ EBITDA | -1.12 | 0.91 | 0.49 | 7.79 |
| Net Debt / Equity | -0.20 | 0.17 | 0.05 | 0.46 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | HIFY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Building products | 10,452.07 | 11,384.52 | 11,542.06 | NA |
| Steel buildings | 3,194.99 | 5,091.82 | 4,212.46 | NA |
| **Total Revenue** | 13,647.06 | 16,476.34 | 15,754.52 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Peers for Material Handling**

**Macmet Engineering Limited**

Macmet Engineering Limited, incorporated in 1974, is a leading Indian company specializing in the design, engineering, and manufacture of material handling systems and water infrastructure projects. It is renowned for its expertise in supplying overland belt conveyors, pipe conveyors, and other advanced bulk material handling solutions for industries such as power, steel, cement, and mining.

**Table 14: KPIs of Macmet Engineering Limited (Rs. Million)**

| Macmet Engineering Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue from operations | 3,378.98 | 4,023.80 | 4,182.64 | NA |
| Order Book | NA | NA | NA | NA |
| EBITDA | 250.79 | 336.80 | 249.83 | NA |
| PAT | 130.36 | 196.14 | 95.28 | NA |
| Net Debt | 362.26 | 430.03 | 601.20 | NA |
| Total Equity | 921.31 | 1,109.63 | 1,197.09 | NA |
| ***Ratios*** | | | | |
| EBITDA Margin | 7.40% | 8.33% | 5.96% | NA |
| PAT Margin | 3.86% | 4.87% | 2.28% | NA |
| Return on Equity | 14.15% | 17.68% | 7.96% | NA |
| ROCE (New) | 18.09% | 20.61% | 12.68% | NA |
| Net Debt/ EBITDA | 0.27 | 0.35 | 0.66 | NA |
| Net Debt / Total Equity | 0.07 | 0.11 | 0.14 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million) -**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Revenue from sale of products and services | 3,322.25 | 4,021.77 | 4,176.02 | NA |
| Other operating revenues | 56.74 | 2.04 | 6.62 | NA |
| **Total Revenue** | 3,378.98 | 4,023.80 | 4,182.64 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Peers for EPC Players**

**Capacite Infraprojects Limited**

Capacite Infraprojects Limited was established in 2012 and is primarily engaged in the EPC business and provides turnkey solutions for housing, high rises, super high rises, speciality buildings and urban infrastructure. The company offers these services to leading real-estate and government bodies in India.

**Table 15: KPIs of Capacite Infraprojects Limited (Rs. Million)**

| Capacite Infraprojects Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue from operations | 13,398.28 | 17,985.87 | 19,316.38 | 10,877.22 |
| Order Book | 87,020.00 | 95,130.00 | 90,110.00 | 92,030.00 |
| EBITDA | 2,309.29 | 3,613.76 | 3,643.74 | 2,183.75 |
| PAT | 477.57 | 952.97 | 1,203.30 | 983.68 |
| Net Debt | 1,354.41 | 1,791.13 | 1,016.00 | 1,924.05 |
| Total Equity | 9,651.74 | 10,734.52 | 15,170.75 | 16,143.71 |

| Capacite Infraprojects Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| ***Ratios*** | | | | |
| EBITDA Margin | 17.07% | 19.99% | 18.56% | 19.82% |
| PAT Margin | 3.53% | 5.27% | 6.13% | 8.93% |
| Return on Equity | 4.95% | 8.88% | 7.93% | 6.09% |
| ROCE (New) | 9.97% | 15.11% | 13.83% | 8.64% |
| Net Debt/ EBITDA | 0.59 | 0.50 | 0.28 | 0.88 |
| Net Debt / Total Equity | 0.14 | 0.17 | 0.07 | 0.12 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Construction contract revenue | 13,267.25 | 17,835.09 | 19,070.58 | NA |
| Sale of material | NA | NA | 117.62 | NA |
| Others | 131.04 | 150.78 | 128.19 | NA |
| **Total Revenue** | 13,398.28 | 17,985.87 | 19,316.38 | NA |

*Source: Company Annual Reports, CareEdge Research*

**PSP Projects Limited**

PSP Projects Limited is an Indian construction and engineering company established in 2008. It specializes in providing a wide range of services including civil construction, project management, and development services, primarily in the infrastructure and real estate sectors. The company has built a strong reputation for executing large-scale commercial, residential, and institutional projects.

**Table 16: KPIs of PSP Projects Limited (Rs. Million)**

| PSP Projects Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue | 17,480.63 | 19,378.06 | 25,057.89 | 12,090.28 |
| Order Book | 43,240.00 | 50,520.00 | 60,490.00 | 65,460.00 |
| EBITDA | 2,805.33 | 2,523.65 | 2,846.67 | 1,199.10 |
| PAT | 1,666.52 | 1,319.41 | 1,229.73 | 448.96 |
| Net Debt | -2,389.89 | -1,956.67 | 1,869.13 | -55.52 |
| Total Equity | 6,869.59 | 8,009.93 | 9,148.70 | 11,976.00 |
| ***Ratios*** | | | | |
| EBITDA Margin | 15.85% | 12.86% | 11.25% | 9.85% |
| PAT Margin | 9.42% | 6.72% | 4.86% | 3.69% |
| Return on Equity | 24.26% | 16.47% | 13.44% | 3.75% |
| ROCE (New) | 31.64% | 22.48% | 16.06% | 5.80% |
| Net Debt/ EBITDA | -0.85 | -0.78 | 0.66 | -0.05 |
| Net Debt / Total Equity | -0.35 | -0.24 | 0.20 | 0.00 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Revenue from Contracts with Customers | 17,361.85 | 19,252.25 | 24,879.37 | NA |
| Other Operating Revenue | 118.78 | 125.81 | 178.51 | NA |
| **Total Revenue** | 17,480.63 | 19,378.06 | 25,057.89 | NA |

*Source: Company Annual Reports, CareEdge Research*

**Ahluwalia Contracts (India) Limited**

Ahluwalia Contracts (India) Limited, established in 1965, is a prominent Indian engineering, procurement, and construction (EPC) company headquartered in New Delhi. The company specializes in civil construction activities, focusing on the development of residential and commercial complexes, information technology parks, institutional buildings, hospitals, corporate offices, metro stations, industrial townships, and urban infrastructure projects.

**Table 17: KPIs of Ahluwalia Contracts (India) Limited (Rs. Million)**

| Ahluwalia Contracts (India) Limited | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue | 26,924.69 | 28,383.93 | 38,552.98 | 19,308.29 |
| Order Book | 1,30,336.10 | 1,39,306.70 | 1,70,102.40 | 2,48,698.00 |
| EBITDA | 2,857.02 | 3,335.06 | 6,194.41 | 1,565.85 |
| PAT | 1,552.17 | 1,939.77 | 3,748.26 | 692.37 |
| Net Debt | -3,984.21 | -5,910.72 | -7,319.02 | -6,912.16 |
| Total Equity | 10,351.85 | 12,283.32 | 15,999.45 | 16,655.66 |
| ***Ratios*** | | | | |
| EBITDA Margin | 10.50% | 11.63% | 15.92% | 8.02% |
| PAT Margin | 5.70% | 6.76% | 9.63% | 3.54% |
| Return on Equity | 14.99% | 15.79% | 23.43% | 4.16% |
| ROCE (New) | 24.37% | 23.96% | 33.62% | 7.46% |
| Net Debt/ EBITDA | -1.39 | -1.77 | -1.18 | -4.41 |
| Net Debt / Total Equity | -0.38 | -0.48 | -0.46 | -0.42 |

*Source: Company Annual Reports, CareEdge Research*

**Operational KPIs (Rs. Million)-**

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Construction Contract* | 26,850.62 | 28,325.28 | 38,481.78 | NA |
| Lease Rental | 33.80 | 58.66 | 64.04 | NA |
| Others | 40.28 | NA | 7.16 | NA |
| **Total Revenue** | 26,924.69 | 28,383.93 | 38,552.98 | NA |

*Source: Company Annual Reports, CareEdge Research*

### ISGEC Heavy Engineering

ISGEC Heavy Engineering was established in 1933 is one of the oldest manufacturing and testing facilities in India. They are into various businesses like EPC, Process equipment manufacturing, steel and Iron castings, etc. They have their headquarters in Noida, Delhi. They have installed a number if plants for Power, Coal, oil on EPC basis over the years.

**Table 18: KPIs of ISGEC Heavy Engineering (Rs. Million)**

| ISGEC Heavy Engineering | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue | 54,993.43 | 63,990.39 | 62,193.37 | 31,835.80 |
| Order Book | 73,220.00 | 83,210.00 | 79,050.00 | 70,660.00 |
| EBITDA | 3,246.17 | 4,673.18 | 5,240.79 | 2,962.90 |
| PAT | 1,149.85 | 2,055.41 | 2,548.72 | 1,628.70 |
| Net Debt | 10,967.27 | 10,245.34 | 6,141.34 | 5,415.20 |
| Total Equity | 22,021.00 | 23,920.97 | 26,185.39 | 27,469.80 |
| ***Ratios*** | | | | |
| EBITDA Margin | 5.89% | 7.29% | 8.39% | 9.21% |
| PAT Margin | 2.09% | 3.21% | 4.08% | 5.06% |
| Return on Equity | 5.22% | 8.59% | 9.73% | 5.93% |
| ROCE (New) | 6.63% | 10.21% | 12.45% | 7.18% |
| Net Debt/ EBITDA | 3.38 | 2.19 | 1.17 | 1.83 |
| Net Debt / Total Equity | 0.50 | 0.43 | 0.23 | 0.20 |

*Source: Company Annual Reports, CareEdge Research*

### Operational KPIs (Rs. Million)-

| | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|
| Revenue split by segment | | | | |
| Manufacturing of Machinery & Equipment | 15,009.35 | 20,353.83 | 20,144.07 | NA |
| Engineering, Procurement and Construction | 33,550.88 | 33,724.72 | 33,874.86 | NA |
| Sugar | 6,079.34 | 7,653.51 | 6,083.04 | NA |
| Ethanol | 538.41 | 2,179.63 | 2,077.95 | NA |
| Plant under construction | (207.13) | 12.20 | 10.26 | NA |
| Others | 22.57 | 66.50 | 3.20 | NA |
| **Total Revenue** | 54,993.43 | 63,990.39 | 62,193.37 | NA |

*Source: Company Annual Reports, CareEdge Research*

### Table 19: CAGR growth of the peer group

| Companies | FY22 | FY23 | FY24 | CAGR % |
|---|---|---|---|---|
| **Ardee Engineering Limited** | 2,168.64 | 3,312.52 | 6,209.90 | 69% |
| **Interarch Building Products Private Limited** | 8,349.42 | 11,239.26 | 12,933.02 | 24% |
| **JSW Severfield Structures Limited (JSSL)** | 10,438.31 | 13,839.25 | 13,515.11 | 14% |
| **Pennar Industries Limited** | 22,657.50 | 28,946.20 | 31,305.70 | 18% |
| **Everest Industries Limited** | 13,647.06 | 16,476.34 | 15,754.52 | 7% |
| **Macmet Engineering Limited** | 3,378.98 | 4,023.80 | 4,182.64 | 11% |
| **Capacite Infraprojects Limited** | 13,398.28 | 17,985.87 | 19,316.38 | 20% |
| **PSP Projects Limited** | 17,480.63 | 19,378.06 | 25,057.89 | 20% |
| **Ahluwalia Contracts (India) Limited** | 26,924.69 | 28,383.93 | 38,552.98 | 20% |
| **ISGEC Heavy Engineering Limited** | 54,993.43 | 63,990.39 | 62,193.37 | 6% |

*Source: Company Annual Reports, CareEdge Research*

### KPIs used in peer comparison

| KPI | Definition |
|---|---|
| Revenue from operations | Revenue from operations for the year |
| Closing Order Book | Total value of Orders pending to be executed as on the relevant date |
| EBITDA | Earnings before Interest, tax, depreciation and amortization and is computed as Restated profit before exceptional items and tax plus Finance Cost plus Depreciation and amortization |
| EBITDA Margin | EBITDA during a given period as a percentage of Total Income during that period |
| PAT | Profit after tax for the year |
| PAT Margin | Profit for a given year divided by Revenue from Operations for that year and is expressed as a percentage |
| Return on Equity (RoE) | Profit for the period divided by Total Equity |
| Return on Capital Employed (ROCE) | RoCE is Profit before Interest and Taxes divided by Total Capital Employed.<br><br>Total Capital Employed is Total Equity plus Borrowings plus Deferred Tax Liability (net) |
| Total Equity | The aggregate value of the paid-up share capital and other equity of the Company as at period/year end as per Restated financial information. Other equity is calculated as all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation and amalgamation. Accordingly, it is calculated as other equity excluding the fair value gain (net of tax) recognised on measurements of assets at fair value and reserves not created out of the profits |

| KPI | Definition |
|---|---|
| Net Debt | Non-current Borrowings plus Current Borrowings less Cash and cash equivalents, other bank balances and Deposits greater than 12 months |
| Net Debt to EBITDA ratio | Net Debt divided by EBITDA for the period |
| Net Debt to Equity ratio | Net Debt divided by Total Equity |

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 19 for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**", "**Restated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 33, 287 and 343, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "**Restated Financial Information**" on page 287. Our financial year ends on March 31 of each year, so all references to a particular financial year or Fiscal are to the 12-month period ended March 31 of that year.*

*We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company ("**Partnership Firm**"), which converted to our Company in the year 2020. The data included herein in respect of our past experience, number of customers, average age of the relationship with such customers, number of projects undertaken and total value of projects undertaken is considered on a combined basis by aggregating the experience, number of customers, average age of the relationship with such customers, number of projects and total value of projects undertaken by our Company and the Partnership Firm.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "**Research Report on Construction Engineering**" dated March 27, 2025 (the "**CARE Report**") prepared and issued by CARE Limited, appointed by us on October 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CARE Report is available on the website of our Company at https://ardee.co.in/industry-report.html. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information relevant for the proposed Offer, that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE 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 – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company**" on page 71. Also see, "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**" on page 17.*

### OVERVIEW

We are the fastest growing integrated design, engineering and manufacturing company based on revenue CAGR between Fiscal 2022 and Fiscal 2024, among peers considered*. (*Source: CARE Report*) We provide a diversified suite of end-to-end solutions across geographies and end-user industries, with a focus on pre-engineered buildings ("**PEB**"), material handling systems ("**MHS**") and engineering services. Our business is divided into our primary business lines: (i) PEB; (ii) MHS; and (iii) engineering services.

**Note: Peers include leading players operating in PEB, MHS and Engineering services segments such as Interarch Building Products Private Limited, JSW Severfield Structures Limited (JSSL), Pennar Industries Limited, Everest Industries Limited, Macmet Engineering Limited, Capacite Infraprojects Limited, PSP Projects Limited, Ahluwalia Contracts (India) Limited and ISGEC Heavy Engineering Limited.*

Our design and engineering capabilities are our core strength. We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company, which converted to our Company in the year 2020. During the past 16 years, we have successfully completed projects across 13 states.

We are focused on producing unique and customized engineering solutions for our customers by working with them throughout the product and process design and development to establish optimal solutions. We endeavour to maintain high quality and safety standards by leveraging the engineering expertise and technical know-how of our engineering team, which had a strength of 175 qualified engineers as on December 31, 2024. Over our nearly 16-year history, we have developed capabilities that have allowed us to secure multiple projects from our customers.

***Our business lines:***

***Pre-engineered buildings:*** We offer comprehensive PEB solutions, including design and engineering, manufacturing, on-site project management for the installation and erection of PEBs and integrated pre-engineered steel structures. We believe that we have created an established presence in the PEB industry in India and have undertaken multiple PEB projects for prominent customers such as JK Cement Limited, RVR Projects Limited, Blue Ocean Biotech Private Limited, and SRR Projects Private Limited, among others. In addition, we have also executed works for leading e-commerce and infrastructure companies.

As of December 31, 2024, we have executed over 100 PEB projects, which include warehouses and fulfilment centres, data centres, logistics infrastructure, manufacturing units, airport, infrastructure, schools and commercial buildings. We attribute our presence in the PEB industry to our ability to deliver projects within tight timelines, while ensuring high quality and engineering standards. We believe that we are able to add significant value to the PEB projects and pre-engineered steel structures through our engineering and design teams, which ensure strict quality and safety control at every level of production through commissioning and handover and as per specifications created by us and approved by our customers. We also ensure that the projects undertaken by us meet the global standards of environment, health and safety ("**EHS**"), which is a key distinguishing factor and allows us to meet the EHS compliance requirements of our prominent clients.

Our prominent PEB projects include:

| Name and description of the project |
|---|
| *Client:* manufacturers of electronics<br>*Purpose:* Manufacturing and assembly facility<br>*Value:* ₹2,020 million<br>*Location:* Bangalore, Karnataka<br>*Description:* EPC work of PEB for A2 building and corridor. |
| *Client:* e-commerce company<br>*Purpose:* fulfilment centre.<br>*Value:* 400 million<br>*Location:* Hyderabad<br>*Description:* Design and supply of PEB works for construction of a fulfilment centre in India for the e-commerce company |

***Material handling systems*:** We design, engineer and construct customized material handling systems and processing systems for our customers to solve complex problems faced by our customers in respect of handling and processing bulk material during the manufacturing process. Our engineering solutions are focussed at simplifying the manufacturing process for our customers and enabling them to effectively process a wide range of materials in various forms to get a final product in a seamless manner. We have executed MHS projects for companies in the metals and mining sectors, including a public sector undertaking (which has been granted Maharatna status), Hindustan Electro-Graphites Limited ("**HEG**") and a company in the ports sector in Nellore, Andhra Pradesh. We leverage our capabilities to design equipment which we believe helps in automation of bulk material handling such as conveyor systems, storage solutions, loading and unloading systems and crushing and screening equipment. We also design, engineer, manufacture, commission and integrate material processing systems such as crushing and screening systems, roller conveyor, feeder breaker, suspended magnets, double roller, bucket elevator, belt conveyors, dust extraction system and motorized slide gates, each tailored to handle diverse types of materials efficiently and reliably.

Our prominent MHS projects include:

**Material handling system (Bulk material handling systems)**

Design, engineering, manufacture, supply, erection, testing and commissioning of rapid loading system for handling coal

- *Client:* RVR Projects Private Limited
- *Purpose:* structural works
- *Description:* rapid loading system for handling coal
- *Value:* ₹1,670 million
- *Location:* Nagpur

**Material Processing Systems (Material Handling System)**

Construction of dry tails filtration project and tails processing project

- *Client:* Arcelor Mittal Nippon Steel India Limited
- *Purpose:* Construction of dry tails filtration project and tails processing project
- *Description:* Construction of 150 TPH filtration plant with dry tails stacking system and construction of dry 150 TPH capacity dam tails reprocessing plant including services for civil, structural, equipment, piping works, building works, HVAC, electrical, instrumentation and automation works.
- *Location:* Kirandul, Chhattisgarh


***Engineering services:*** Our engineering services focuses executing projects in two areas of (i) heavy structural and precision engineering equipment and (ii) electrical instrumentation with automation. We believe that by leveraging our engineering services capabilities, we have expanded to niche industries like defense and aerospace. In the aerospace sector, we supplied three mobile launch pedestal for a national space research organisation. Our engineering services also support our PEB and MHS projects, which we believe allows for seamless design, development, and execution of projects, ensuring that all engineering processes are controlled and customized to meet the customer requirement of heavy structural and precision engineering.

Our prominent engineering services projects include:

| Engineering services (Electrical and automation engineering) | |
|---|---|
| Construction and electrical work of weaving sheds and warping sheds<br><br>• *Client:* Vensa Projects Private Limited<br><br>• *Value:* ₹147.58 million<br><br>• *Location:* Rajanna Siricilla, Telangana |  |

| Engineering services (Heavy structural and precision engineering) | |
|---|---|
| Manufacture of power plant structures, spiral casings, draft tube elbow liners, bolted support structures and silos<br><br>• *Client:* A public sector undertaking which has been granted the Maharatna status by the Government of India.<br><br>• *Tonnage:* 2,270 MT<br><br>• *Location:* Hyderabad, Telangana | |

Over the years, we have expanded our presence within India and in particular in the states of Telangana, and Hyderabad. We have a strong track record of executing various complex and challenging engineering projects within India. (*Source: CARE Report*) Some of our unique projects are set out below:

| Name and description of the project | Image |
|---|---|
| Construction of 46 weaving sheds and 4 wrapping sheds at the weaving park, Sircilla, Telangana for Vensa Projects Private Limited |  |
| An electronics equipment manufacturing company collaborated with our Company to build an industrial shed warehouse for manufacturing of electronic products. | |
| Manufacturing unit for an e-commerce company. | |

Our key customers, which include some of the leading globally recognized blue chip brands, require the highest engineering, execution, quality and safety standards. We have established long-standing relationships with a number of our customers, including, ArcelorMittal Nippon Steel India Limited ("**AM/NS**"), JK Cement Limited, Navayuga Engineering Company Limited, Udaipur Cement Works Limited, among others. Our diverse client base spans multiple sectors, including e-commerce and logistics, electronics manufacturing, defense, aerospace, steel production, construction, power generation, and mining. We attribute this to our capability to deliver tailored engineering solutions that meet the specific demands of each industry while adhering to global standards.

We believe that our design and engineering expertise is the cornerstone of our success. Our engineering capabilities are supported by in-house design and engineering team which comprises of 175 qualified engineers, which constitute 25.81% of our total permanent employees as of December 31, 2024. Our in-house design and engineering team has an average experience of more than 12 years. Our design and engineering team is supported by dedicated project management team, which as on December 31, 2024 comprised 30 project managers and 362 employees including qualified welders and certified machine operators and shop floor workers.

We serve customers through five strategically located manufacturing units in Andhra Pradesh and Telangana. As on March 31, 2024, we had an aggregate installed capacity of 44,144 metric tonnes per annum ("**MTPA**"). Our backward integrated manufacturing capabilities, allow us to serve our customers across India. Further, as on December 31, 2024 we owned a fleet of 67 trucks and heavy vehicles, which reduces our dependence on third party logistic suppliers and allows us the ability to mobilise our resources for our project within a shorter lead time. We work with our customers to offer customized solutions as per customer specific requirements by understanding their needs and aligning our employees and resources to achieve optimal results. Additionally, we have invested in and continue to invest in automation and robotics in our manufacturing units through Ardee Yantrik Private Limited, which will allow us to expand our output while reducing cost and improving quality and productivity resulting in enhancement of the profit margin. These include hydraulic shearing machine, CNC press brake, standing seaming roll forming machine, auto seam machine, CNC plasma cutting, CZ purlin forming and welding assembler. We believe that this equipment base, along with the ability to source other high-tech equipment and our in-house capabilities allow us a quick turnaround time for mobilisation of resources for undertaking new projects.

Over the years, we have established a strong track record of successful project execution, delivering quality engineering solutions within the scheduled project timelines. We have a strong track record of executing various complex, challenging engineering projects in India. (*Source: CARE Report*) We have received completion bonus for one project as on December 31, 2024. Our aggregate Order Book as of September 30, 2024 was ₹7,612.81 million. The breakup of our Order Book is set forth below:

(*₹ in million, except percentages*)

| Sr. No. | Business segment | Order book | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount as of September 30, 2024 | Percentage as of September 30, 2024 | Amount as of March 31, 2024 | Percentage as of March 31, 2024 | Amount as of March 31, 2023 | Percentage as of March 31, 2023 | Amount as of March 31, 2022 | Percentage as of March 31, 2022 |
| 1. | Pre-engineered buildings | 2,428.37 | 31.90% | 1,040.24 | 14.41% | 1,012.77 | 17.38% | 431.95 | 13.60% |
| 2. | Material handling systems | 4,300.01 | 56.48% | 5,023.72 | 69.60% | 3,646.37 | 62.56% | 2,017.80 | 63.53% |
| 3. | Engineering services | 884.43 | 11.62% | 1,154.04 | 15.99% | 1,169.17 | 20.06% | 726.57 | 22.87% |
| | **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

We ensure the highest standards of quality and safety and have received ISO 9001:2015 certified quality management system and adhere to industry accreditations. Our dual focus on quality in manufacturing and safety and timeliness in execution highlights our commitment to the highest quality and engineering standards. We have also received the ISO 45001:2018 certification, which is a testament to our high standards of occupational health and safety management system.

Our Company was founded by our Promoters, Chandra Sekhar Moturu and Ragdeep Moturu, who have rich experience in the engineering solutions industry since 2008. Both of them are qualified engineers, and we believe that their leadership has cultivated a culture of innovation and excellence. Arundeep Moturu and Krishna Kumari Moturu, who are also Promoters and Executive Directors, add further strength to our leadership with their engineering experience. Krishna Kumari Moturu, who also serves as our Chief Financial Officer, plays a vital role in driving our financial strategy and ensuring sustainable growth. Our founders-led management team, supported by an in-house engineering team with relevant educational qualifications and complementary skill sets, and we believe that it has been integral to the continued success of our business.

Our financial performance for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, based on the Restated Financial Information, are set forth in the table below:

| Sr. No. | Particulars | Units | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| ***Financial KPIs*** | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |
| 2. | Closing Order Book | ₹ in million | 7,612.81 | 7,218.00 | 5,828.31 | 3,176.32 |
| 3. | EBITDA | ₹ in million | 350.59 | 606.49 | 248.59 | 90.96 |
| 4. | EBITDA Margin | % | 12.11% | 9.74% | 7.49% | 4.18% |
| 5. | Profit after tax (PAT) | ₹ in million | 155.97 | 291.05 | 109.13 | 12.86 |
| 6. | PAT Margin | % | 5.39% | 4.67% | 3.29% | 0.59% |
| 7. | Total Equity | ₹ in million | 1,030.97 | 873.11 | 331.31 | 120.78 |
| 8. | Net Debt | ₹ in million | 1,654.82 | 1,605.71 | 725.75 | 712.58 |
| 9. | Net Debt to Total Equity ratio | Times | 1.61x | 1.84x | 2.19x | 5.90x |
| 10. | Net Debt to EBITDA ratio* | Times | 4.72x | 2.65x | 2.92x | 7.83x |
| 11. | Return on Equity (RoE)* | % | 15.13% | 33.33% | 32.94% | 10.65% |
| 12. | Return on Capital Employed (RoCE)* | % | 11.04% | 20.97% | 16.16% | 7.80% |
| ***Business KPIs*** | | | | | | |
| 13. | Revenue Split by Segment#: | | | | | |
| | Pre-engineered buildings | ₹ in million | 1,447.20 | 3,111.75 | 1,353.83 | 1,556.62 |
| | Material Handling Systems | ₹ in million | 705.41 | 1,221.21 | 1,508.47 | 329.35 |
| | Engineering Services | ₹ in million | 711.90 | 1,872.11 | 444.10 | 282.67 |

**Not annualised for September 30, 2024, #Does not include Revenue from scrap sales*

*Note:*

a. *Revenue from operations means the revenue from operations for the period / year.*

b. *Closing Order Book is the total value of orders pending to be executed as on the relevant date. It is calculated as opening balance of order book value plus new orders received during the period / year minus billing done during the period / year.*

c. *EBITDA refers to Earnings before Interest, Taxes, Depreciation and amortization; and it is computed as Restated profit before exceptional items and tax plus Finance Cost plus Depreciation and amortization.*

d. *EBITDA Margin is EBITDA during a given period / year as a percentage of Total Income for that period / year.*

e. *Profit after tax (PAT) = Profit after tax for the period/year as per restated financial information.*

f. *PAT Margin is PAT during a given period / year as a percentage of Total Income for that period / year.*

g. *Total Equity means the total equity for the period/year end as per restated financial information*

h. *Net Debt is computed as Non-current Borrowings plus Current Borrowings plus Current and Non-current lease liabilities less Cash and Cash equivalents, Bank balances and Deposits with maturity more than 12 months.*

i. *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA for the period / year.*

j. *Net Debt to Total Equity ratio is calculated as Net Debt divided by Total Equity., Return on Equity (RoE) = PAT divided by Total Equity for the period / year.*

k. *Return on Capital Employed (ROCE) is calculated as Profit before Interest and Taxes divided by Total Capital Employed. Total Capital Employed is Total Equity minus Intangible assets plus Non-current and Current Borrowings plus Deferred Tax Liability (net) as at the period/year end.*

## STRENGTHS

### *Deep domain expertise backed by a demonstrable record of timely execution of customised large, complex and challenging projects*

During the past 16 years, we have successfully completed projects across 13 states. As of December 31, 2024, our order book was of ₹8,929.55 million. We believe that we have been able to achieve this through our engineering capabilities by leveraging our in-house design and engineering team which comprises of 175 qualified engineers, which constitute 25.81% of our total permanent employees as of December 31, 2024.

We serve some of the largest globally recognized clients, which require the highest engineering standards, product quality and expertise. Our customers' product requirements require us to adhere to the highest safety and quality standards and require us to provide sophisticated and complex engineering solutions for the requirements of our customers.

Our commitment to innovation and problem-solving has allowed us to execute complex projects. For instance, when executing the Green Silica Process Plant at Blue Ocean Biotech Private Limited, our client faced challenges in synchronizing the timely availability of certain process equipment due to supply chain disruptions. As a result of this, we were unable to adhere to the conventional sequence of equipment installation, which is essential before proceeding with the integrated testing and commissioning phase, we implemented an innovative alternative construction methodology that involved parallel execution of pre-engineered building structures and process equipment installation, while leveraging modular assembly techniques. This process enabled us to ensure that project was completed within project timelines and did not result in cost overruns.

Further, our ability to execute complex projects was showcased during the implementation of the project implementation of the (Green Electrode Plant) GEP and Raw Material Handling System (RMHS) for HEG Limited. During the implementation of this project, our client was experiencing current process issues of Calcined Petroleum Coke ("**CPC**") material handling process. On account of this issue, we were not able to rely on existing process requirement, which, in the conventional method, is essential before achieving the desired process throughput. In order to achieve the desired outcome with the project timelines, we implemented an innovative low-speed, sealed equipment design, which allowed us to maintain the integrity of CPC particles, minimize fugitive emissions, and prevent spillages.

We have a strong track record of executing various complex, and challenging engineering projects within India, which include (*Source: CARE Report*):

| Name and description of the project | Image |
|---|---|
| Blue Ocean Biotech Private Limited is engaged in sustainable manufacturing of a range of corn-starch and starch-based sugar products. The company wanted to enter the precipitated silica market in India with green silica. |  |
| Built an industrial shed warehouse for manufacturing of electronic products. | |
| Built a fulfilment centre for an e-commerce company. | |

In furtherance to our commitment of timely completion, we have completed multiple projects on the scheduled completion date. We have received completion bonus for one project as on December 31, 2024.

***Long standing relationships with marquee customer base***

We serve a diverse range of private and government sector customers. The following table sets forth revenue from our government and private sector customers for the periods indicated below:

| Category | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of revenue from operations (%) | Amount (₹ million) | Percentage of revenue from operations (%) | Amount (₹ million) | Percentage of revenue from operations (%) | Amount (₹ million) | Percentage of revenue from operations (%) |
| Government customers[(1)] | 251.38 | 8.72% | 1,001.55 | 16.13% | 687.61 | 20.76% | 213.28 | 9.83% |
| Private customers | 2,631.44 | 91.28% | 5,208.35 | 83.87% | 2,624.91 | 79.24% | 1,955.36 | 90.17% |
| **Total** | **2,882.82** | **100%** | **6,209.90** | **100%** | **3,312.52** | **100%** | **2,168.64** | **100%** |

*(1) Comprises state and central governments, government agencies and government-owned enterprises in India.*

During the past 16 years, we have successfully completed projects across 13 states. We have established long-standing relationships with a number of our customers, including AM/NS, JK Cement Limited, Navayuga Engineering Company Limited, Udaipur Cement Works Limited and public sector undertakings which have been granted the Maharatna status by the Government of India.

We believe that our ability to offer full-suite of unique engineering solutions and customer-centric strategy allows us to build strong relationships, which helps us in receiving repeat business from our customers and cross-sell other engineering solutions for their businesses. Our repeat orders in the revenue from orders received from existing clients in all three business lines in six months ended September 30, 2024 and Fiscals 2024, 2023, and 2022 are set forth below:

| Category | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of revenue from operations (%) | Amount (₹ million) | Percentage of revenue from operations (%) | Amount (₹ million) | Percentage of revenue from operations (%) | Amount (₹ million) | Percentage of revenue from operations (%) |
| Revenue from same clients | 1,766.19 | 61.27% | 1,489.57 | 23.99% | 1,943.17 | 58.66% | 1,230.10 | 56.72% |

The following table sets forth revenue from our top five and top 10 customers for the periods indicated below:

| Particulars | Six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage of our total revenue from operations | Amount (₹ million) | Percentage of our total revenue from operations | Amount (₹ million) | Percentage of our total revenue from operations | Amount (₹ million) | Percentage of our total revenue from operations |
| Revenue from the top five customers* | 1,733.83 | 60.14% | 4,458.58 | 71.80% | 2,194.80 | 66.26% | 1,325.71 | 61.13% |
| Revenue from top 10 customers* | 2,409.77 | 83.59% | 5,427.47 | 87.40% | 2,866.95 | 86.55% | 1,672.93 | 77.14% |

**Our top five and top 10 customers have not remained the same and have changed between Fiscals and periods*

Our long-standing customers with whom we have a long standing relationship include Navayuga Engineering Company Limited. Considering the critical nature of our services, our customer standards, requirements and required service levels are stringent, and accordingly, we consider the quality, durability and reliability of our offerings as essential to maintaining customer relationships. We leverage these long term relationships to cross-sell other products and services, in order to attract a larger wallet-share from our existing customers.

***Strong market presence in high growth pre-engineered buildings and material handling system business lines***

We are the fastest growing integrated design, engineering and manufacturing company based on revenue CAGR between Fiscal 2022 and Fiscal 2024, among peers considered. (*Source: CARE Report*) We have an aggregate installed capacity of 44,144 metric tonnes MTPA as on Fiscal 2024. Our revenue from operations for the six months ended September 30, 2024, and Fiscals 2024, 2023 and 2022 and the corresponding CAGR in each business line is set forth below:

| Particulars* | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Revenue from operations (in ₹ million) | Percentage of total income (%) | Revenue from operations (in ₹ million) | Percentage of total income (%) | Revenue from operations (in ₹ million) | Percentage of total income (%) | Revenue from operations (in ₹ million) | Percentage of total income (%) |
| PEB | 1,447.20 | 50.01% | 3,111.75 | 49.96% | 1,353.83 | 40.81% | 1,556.62 | 71.51% |
| *CAGR from PEB from Fiscal 2022 to Fiscal 2024 (%)* | | | | *41.39%* | | | | |

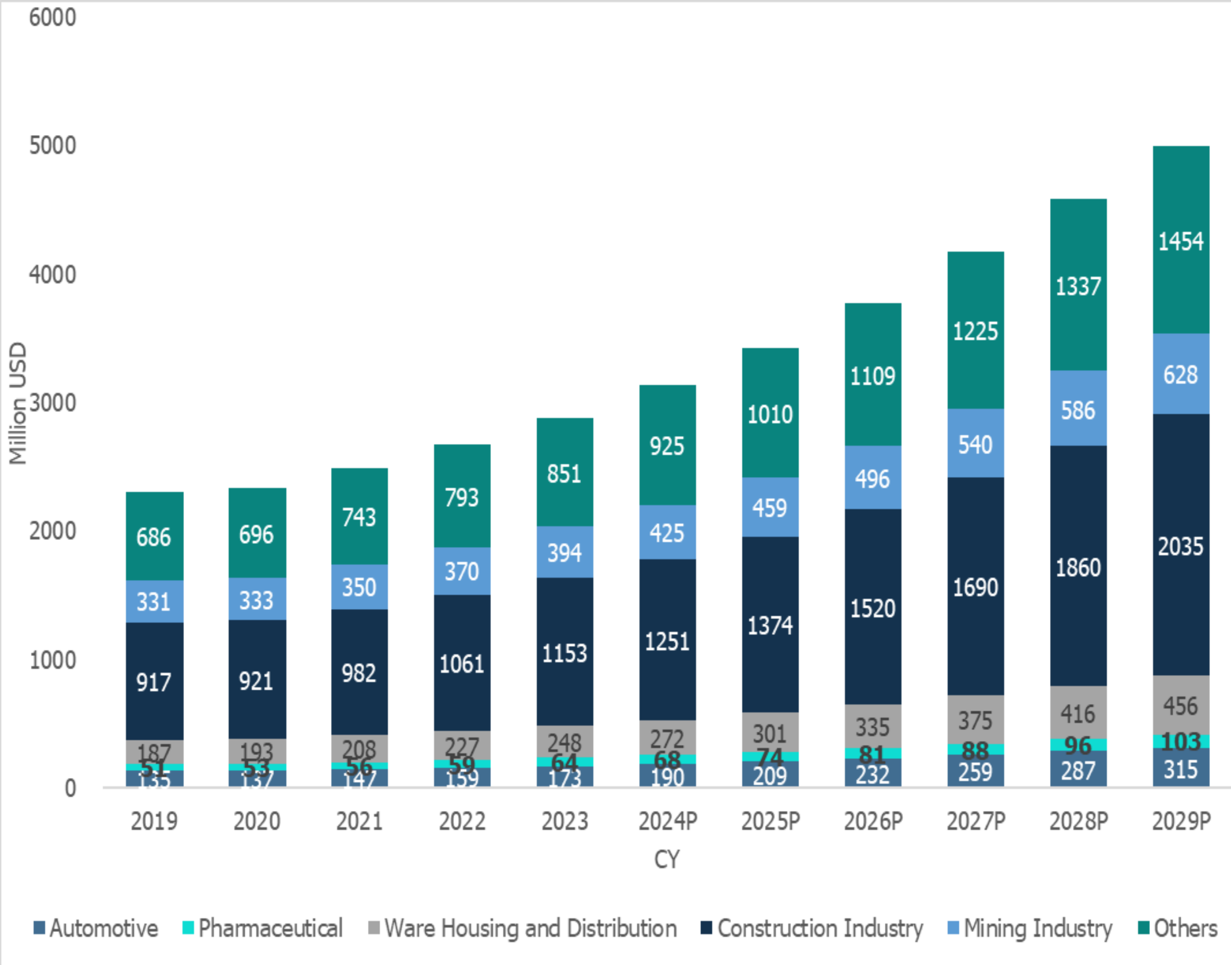
| Particulars* | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | **Revenue from operations (in ₹ million)** | **Percentage of total income (%)** | **Revenue from operations (in ₹ million)** | **Percentage of total income (%)** | **Revenue from operations (in ₹ million)** | **Percentage of total income (%)** | **Revenue from operations (in ₹ million)** | **Percentage of total income (%)** |
| MHS | 705.41 | 24.37% | 1,221.21 | 19.61% | 1,508.47 | 45.47% | 329.34 | 15.13% |
| *CAGR from MHS from Fiscal 2022 to Fiscal 2024 (%)* | | | | *92.56%* | | | | |
| Engineering services | 711.90 | 24.60% | 1,872.11 | 30.06% | 444.10 | 13.39% | 282.67 | 12.99% |
| *CAGR from engineering services from Fiscal 2022 to Fiscal 2024 (%)* | | | | | | | | *157.35%* |

*Does not include revenue from Scrap Sale*

Some of our prominent PEB projects include designing, engineering and constructing an e-commerce company's fulfilment centre and (ii) EPC work of PEB for A2 building and corridor for an electronics manufacturing company, We have executed MHS projects in the metals and mining sectors for marquee clients, some of which include (i) shifting of take-up structure of existing conveyor 315, erection of a new trestle and design, engineering, supply, storage, handling at site, erection, testing and commissioning of wet circuit system for a public sector undertaking which been granted the Maharatna status by the Government of India, (ii) design, engineering, manufacturing, supply, erection of raw material handling system, green scrap handling system including roller conveyor, feeder breaker, suspended magnet, double roller crusher, bucket elevator, hoppers, screw feeder, vibrating screen, dust extraction system, motor control panel ("**MCC**"), power control panel ("**PCC**") and remote input output control panels ("**RIO**"), and (iii) Design, engineering, supply, erection and commissioning of coal transfer conveyors of 5,500 TPH for a port company.

We believe that the growing PEB and MHS industries positively impact us by creating increased demand for our wide range of services and offering significant growth potential. The PEB market is projected to grow at a CAGR of 13% from 2024 to 2029, with the highest growth anticipated in warehouses, cold storage, and data centers. *(Source: CARE Report)* This market expansion directly benefits us, as we offer comprehensive PEB solutions, from design and engineering to manufacturing and installation, for diverse building types, including those experiencing the highest growth. Our commitment towards environmentally sustainable manufacturing process, with certified ESG compliance, equips us to cater to diverse PEB projects.

Similarly, the Material Handling Equipment market is expected to grow in various sectors as depicted below:




. *(Source: CARE Report)*

We believe that this growth directly translates into increased demand for our integrated MHS solutions, including design, engineering, manufacturing, and integration of systems for diverse material types and operational needs. Our in-house capabilities for MHS projects, covering components like screens, conveyors, and filters, position us to capitalize on this expanding market. Moreover, the rising demand for efficient and sustainable MHS solutions due to stringent environmental regulations further aligns with our focus on developing eco-friendly material handling practices.

Our track record of quality and timely execution, domain experience, and market position, paired with our integrated facilities for design and engineering, manufacture, makes us ideally placed to capitalise on the growth of the PEB and MHS industry in India.

***Strong backward integration supported by strong in-house design and engineering expertise***

Our five manufacturing units located in Andhra Pradesh and Telangana and our in-house design and engineering team, together provide us with the core capabilities for providing complex engineering solutions to our customers. Our manufacturing units are vertically integrated, enabling us to engage comprehensively in the entire product lifecycle which includes designing, engineering, and manufacturing our products with an aggregate installed capacity of 44,144 MTPA as on Fiscal 2024.

Our backward integration is also supported by our owned logistics infrastructure, which reduces our dependence on third party logistic suppliers and allows us the ability to mobilise our resources for our project within a shorter lead time. As on December 31, 2024 we owned a fleet of 67 trucks and heavy vehicles.

The table below sets out certain details of our manufacturing units:

| Unit | Location | Nature of property | Area (in square metres) |
|---|---|---|---|
|  | Sy No. 26AA, Chetlapotharam, Potharam Road, Gagillapur, Medak District 502 319, Telangana, India (“**Manufacturing Unit 1**”) | Leased | 7,183.27 |
|  | Plot No. 125, 126, 141 and 142, Phase - III, Industrial Park, Pashamylaram 502 307, Sangareddy, Telangana, India (“**Manufacturing Unit 2**”) | Owned | 18,014.00 |
|  | Plot No. 59, 62 and 63, Survey No. 556, IDA Patancheru, Sangareddy 502 319, Telangana, India (“**Manufacturing Unit 3**”) | Leased | 2,759.22 |
| | Survey No. 457, Phase - III, IDA, Patancheru 502 319, Sangareddy, Telangana, India (“**Manufacturing Unit 3**”) | Owned | 1,805.40 |
|  | Plot No. 10 M3 and 10 M4 Part Phase III, TSIIC Park, Pashamylaram, Patancheru Mandal 502 307, Sangareddy, Telangana, India and Plot No. 10/K8, Phase III, Extension, IP Pashamylaram, Patancheru 502 307, Sangareddy, Telangana, India (“**Manufacturing Unit 4**”) | Leased | 7,275.88 |

| Unit | Location | Nature of property | Area (in square metres) |
| --- | --- | --- | --- |
|  | Survey No. 142, 144 and 145, Edulapaka Bonangi Village, Paravada Mandal 531 021, Vishakapatnam, Andhra Pradesh, India (“**Manufacturing Unit 5**”) | Owned | 5,600.00 |

For details with respect to capacity, see *“**Our Business - Installed Capacity, Available Capacity, Actual Production and Capacity Utilisation**”* on page 240.

We have invested and continue to invest in automation of our manufacturing units including through Ardee Yantrik Private Limited, which will help us increasing productivity and efficiency resulting in decrease in cost of manufacturing in the long term, thereby improving our profitability and results of operations. Our manufacturing units are supported by in-house design and engineering team which comprises of 175 qualified engineers, which constitute 25.81% of our total permanent employees as of December 31, 2024. Our in-house design and engineering team has an average experience of more than 12 years and has expertise distributed across areas of industrial design and engineering. Our design and engineering team is supported by dedicated project management team, which as on December 31, 2024, comprised 30 project managers and 362 employees including qualified welders and certified machine operators and shop floor workers.

We have in-house logistics capabilities, specifically through our fleet of trailers. This allows us to efficiently manage material movement without relying on third-party logistics providers, ensuring timely and cost-effective transportation. By reducing dependency on external services, we enhance our operational control, minimize potential delays, and provide our clients with a more reliable and streamlined project execution.

***Diversified order book across business lines***

Our order book represents the estimated contract value of the unexecuted portion of a company’s existing assigned contracts and provides visibility on future revenues. As of December 31, 2024, our Order Book comprised of orders amounting to ₹8,929.55 million. Over the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, we have expanded and diversified our Order Book. The tables below set out details of our order book by business lines and types of clients, as of the dates mentioned:

(*₹ in million, except percentages*)

| Sr. No. | Busines segments | Order Book | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Amount as of September 30, 2024 | Percentage as of September 30, 2024 | Amount as of March 31, 2024 | Percentage as of March 31, 2024 | Amount as of March 31, 2023 | Percentage as of March 31, 2023 | Amount as of March 31, 2022 | Percentage as of March 31, 2022 |
| 1. | Pre engineered buildings | 2,428.37 | 31.90% | 1,040.24 | 14.41% | 1,012.77 | 17.38% | 431.95 | 13.60% |
| 2. | Material handling systems | 4,300.01 | 56.48% | 5,023.72 | 69.60% | 3,646.37 | 62.56% | 2,017.80 | 63.53% |
| 3. | Engineering services | 884.43 | 11.62% | 1,154.04 | 15.99% | 1,169.17 | 20.06% | 726.57 | 22.87% |
| | **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

(*₹ in million, except percentages*)

| Type of clients | Six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ million) | Percentage as of September 30, 2024 (%) | Amount (₹ million) | Percentage as of March 31, 2024 (%) | Amount (₹ million) | Percentage as of March 31, 2023 (%) | Amount (₹ million) | Percentage as of March 31, 2022 (%) |
| Government sector[(1)] | 1,959.32 | 25.74% | 2,173.82 | 30.12% | 2,155.85 | 36.99% | 537.15 | 16.91% |
| Private sector | 5,653.49 | 74.26% | 5,044.18 | 69.88% | 3,672.46 | 63.01% | 2,639.17 | 83.09% |
| **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

(1) *Comprises state and central governments, government agencies and government-owned enterprises in India.*

We believe that the consistent growth in our order book is a result of our experience, our focus on maintaining quality standards in our projects and project execution skills. Diversifying our skill set and order book across different business and geographical regions, enables us to pursue a broader range of projects and therefore maximize our business volume and profit margins.

***Experienced Promoters and management team***

We are led by an experienced management team consisting of our promoters, directors and senior management. Our experienced management team is led by Chandra Sekhar Moturu, our Chairman and Managing Director, and Ragdeep Moturu, our Whole-time Director, who have approximately 16 years of experience in the manufacturing and engineering solutions industry each. Arundeep Moturu, our Promoter and Executive Director and Krishna Kumari Moturu, our Promoter, Executive Director and Chief Financial Officer, are qualified engineers and spearhead our growth strategy.

Our management team is complemented by our highly experienced board of directors, which includes senior industry veterans. Our leadership team has a combination of skills, attributes, behaviours and determination. We believe that the strength and experience of our senior leadership team has contributed to us being one leading integrated design and engineering company. Our experienced management team with our strong governance mechanism enables us to manage the risks associated with our industry in an effective manner. Our manufacturing units are supported by in-house design and engineering team which comprises of 175 qualified engineers, which constitute 25.81% of our total permanent employees as of December 31, 2024. Our in-house design and engineering team's expertise is distributed across areas design and engineering field. Our design and engineering team is supported by dedicated project management team, which as on December 31, 2024, comprised 30 project managers and 362 employees including qualified welders and certified machine operators and shop floor workers.

We believe that we will continue to benefit from the experience, leadership and vision of our management team. For further details regarding our management, see "***Our Management***" on page 261.

Our experienced management team is supported by a skilled workforce. As of December 31, 2024, we employed 678 permanent employees and 246 contract employees. We work with a large workforce, and we invest in welfare of our employees including salaries and bonus and contribution to provident and other funds.

We also have low attrition rates compared to industry standards. The following table sets forth the attrition rate of the periods indicated below:

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|
| Total number of employees | 556 | 396 | 291 |
| Attrition Rate (%)[(1)] | 9.00% | 6.00% | 5.00% |

(1) *Attrition Rate has been calculated as the number of employees who have resigned during the period, divided by the number of employees existing at the beginning of the period*

For further details regarding our employees and employee policies, please see "***- Human Resource***" on page 247.

**STRATEGIES**

***Grow our presence and capitalise on the industry tailwinds and growth in the PEB and MHS business lines***

We intend to increase our market share and capitalise on the growth in PEB and MHS industries in India. The PEB market is expected to grow at a CAGR of 13% from Fiscal 2024 to 2029 driven by the growth in the construction sector and demand for quick construction and sustainable buildings with the highest growth anticipated in warehouses, cold storage and data centres. *(Source: CARE Report)* Our established track record and domain experience, established brand presence and market position, paired with our backward integrated facilities for design, engineering and manufacturing, on-site project management capabilities for installation and erection of high growth PEBs and MHS equipment supplied by us, enable us to be well-position to benefit from growth of the PEB and MHS sectors in India.

We intend to capitalize on growth opportunities in structural steel applications, especially in metro and airport station structures, telecommunication towers, broadcasting towers, and floodlight towers. The Indian government's emphasis on infrastructure investment is expected to drive demand for steel construction-related structures. Furthermore, with the expansion of sectors like mining, construction, and manufacturing, there is a significant growth opportunity for our material handling system offerings. The growth in material handling systems is also supported by stringent environmental regulations on account of a rising demand for more efficient, sustainable, and eco-friendly material handling solutions which integrate energy-efficient designs, reduce emissions, and minimize waste. We believe that we are well placed to benefit from this trend, by focussing on innovating and developing advanced systems that not only comply with environmental standards but also enhance operational efficiency.

***Expand our geographical footprint to strategic Indian markets***

We recognise the significance of geographical diversification in our operations and aim to maximize opportunities in our existing markets in India, capitalizing on diverse growth trends of Indian markets and markets abroad. Through this approach, we aim to effectively target growth opportunities, broaden our revenue base, and mitigate risks associated with market conditions and price fluctuations resulting from concentration in a specific geographic region.

As on the date of this Draft Red Herring Prospectus, we have four manufacturing units in state of Telangana, India and one in Andhra Pradesh, India. During the past 16 years, we have successfully completed projects across 13 states. Further, we seek to tap other markets and increase our geographical presence by leveraging our experience in key market areas, enhancing our brand awareness and strengthening our sales and marketing network. We identify our target markets based on our internal assessment of existing demand for offerings in PEB, MHS and heavy and precision engineering services in such market, public announcements of significant projects in the region and government initiatives favourable to our operations. Building upon our Company's established manufacturing presence in Southern India, our Company proposes to enhance its manufacturing presence by establishing PEB Manufacturing Unit and Material Handling Unit expansion in Seetharampur, Telangana and an Integrated Manufacturing Unity in Visakhapatnam, Andhra Pradesh, For details, see "***Objects of the Offer***" on page 112. We are also focussed on expanding consulting opportunities in international markets, such as Muscat.

We believe that gradual diversification of our portfolio will act as a safeguard against risks arising from specific areas or projects and protect us from the impact of concentrated business activities in limited geographical regions. These strategic differentiators, complemented by our expertise in business development, strategic planning, and long standing relationships, empower us to fully exploit the potential of existing markets while continuously identifying emerging opportunities.

Our commitment to this strategy allows us to effectively navigate changing landscapes, respond to market demands, and maintain sustainable growth over the long term.

***Expand customer base and increase wallet-share from existing customers***

We are committed to nurturing strong relationships with our existing clients while strategically expanding our customer base. Leveraging our integrated design, engineering, and manufacturing capabilities, coupled with robust project execution and management, we are actively diversifying into specialised sectors with requirements for precision and heavy structural engineering. These niche industries and sector are typically less competitive due to requirement of specialised engineering skills and infrastructure and eligibility criteria, which helps in limiting competition and reducing the emphasis on price-based bids, which leads to better profits margins on the projects.

A key element of our growth strategy is targeting high-margin projects in sectors like aerospace and defense, where technical expertise is paramount. We believe that we are well-positioned to meet the stringent requirements of these sectors, and by selectively pursuing these opportunities, we aim to secure contracts with attractive margins and long-term growth potential. Specifically, within the defense and aerospace markets, we are targeting government defense agencies, private aerospace contractors, etc. Our success in delivering complex projects enhances our credentials and positions us favourably for larger, more specialized projects in the future.

Furthermore, as we complete projects and build a stronger track record, we are witnessing an increase in the number of bids received, further validating our approach.

In addition to expanding our focus to new industries, we are actively pursuing our strategy of increasing the wallet-share from our existing prominent customers, by offering cross-selling opportunities within these existing business lines to deepen our relationships and maximize customer lifetime value.

To drive new customer acquisition and repeat business, we emphasize quality, cost-efficiency, and timely execution. We have established a dedicated business development team focused on identifying new industries and sales channels for our PEB, MHS, and electrical service offerings. Our sales and marketing team works in tandem with the business development team to increase brand visibility and market penetration in these targeted areas. We are also expanding our sales, marketing, and business development teams to ensure continued engagement with existing clients and effective outreach to new prospects.

We are committed to a data-driven approach, utilizing client feedback and market insights to continuously refine our service offerings. This responsive and adaptable strategy allows us to anticipate evolving client needs and proactively develop solutions that strengthen relationships and drive future growth.

***Deepening and growing our designing and engineering capabilities***

We aim to further expand our engineering and design capabilities driven by our in-house design and engineering teams. We have harmonized three distinct engineering teams – design and engineering team, manufacturing/production engineers and construction/erection engineers which work in tandem to ensure project timelines are adhered to.

To deepen and qualitatively improve our in-house team, we are focused on recruiting top-tier talent, particularly as competition for skilled professionals intensifies within the industry. We aim to build on the expertise of our engineers and technicians by providing continuous professional development and training. This includes basic and advanced training in engineering principles, emerging construction technologies, and specialized construction methodologies. We also hire graduate engineering trainees every year and trains them and provide apprenticeship capabilities. Our training programs not only support staff development but also align our skill base with anticipated industry advancements and the specific technical requirements of upcoming projects.

We aim to identify opportunities to implement manufacturing improvements and will dedicate our design and engineering resources to enhance our manufacturing processes and improve our cost efficiencies. Our sustained investment in design and engineering will not only support our current operations but also position us for long-term growth. By expanding our team's capacity and expertise, we can better align with the evolving needs of our customers and the anticipated demands of our target market. Furthermore, this approach allows us to remain agile and responsive to new trends in eco-friendly construction, modular design, automation, ensuring that we are at the forefront of innovation and competitiveness.

***Leverage advanced automation and robotics technologies, to ensure more efficient and faster execution with greater quality***

We aim to transform our operations by strategically leveraging advanced automation and robotics technology to achieve higher efficiency, reduce operational costs, and create a sustainable competitive advantage.

Through our Associate, Ardee Yantrik Private Limited, we aim in integrating robotics systems and automated processes across our manufacturing units, and seek to streamline workflows, enhance production speed, and improve the consistency and quality of our products. This approach is central to our long-term vision of meeting growing market demand while maintaining the highest standards of quality and operational excellence. We aim to harness the expertise of our in-house engineering, design teams, and dedicated research and development ("**R&D**") function to develop customized automation solutions that are tailored to our specific operational needs. With this approach, we can continuously refine and optimize our processes, ensuring that our operations remain agile and adaptable in response to evolving technological trends and market conditions. A key objective of our strategy is to significantly reduce operational costs by leveraging robotics to optimize labour utilization, minimize material waste, and decrease downtime. We aim to implement robotic systems capable of operating with high precision, reducing human error and the need for rework, and improving overall production efficiency. Additionally, automation will enable real-time monitoring of production flows, allowing us to proactively address potential issues before they disrupt operations. By anticipating maintenance requirements and optimizing machine usage, we aim to maximize equipment uptime, further improving productivity and reducing costs.

We also recognize that flexibility and adaptability are crucial in meeting the diverse and dynamic needs of our clients. We aim to integrate automated systems that will allow us to respond quickly to specific client requirements, whether that involves meeting fluctuating order volumes or customizing products for unique specifications. This capacity for on-site manufacturing solutions, driven by automation, will help us build stronger, more responsive relationships with our clients, positioning us as a trusted partner for long-term collaboration. We aim to not only improve our internal processes but also deliver superior value to our clients by ensuring faster production cycles, enhanced product quality, and cost-effectiveness. By integrating automation at every level of our operations, we aim to build a manufacturing system that is capable of adapting to changing market demands and supporting long-term growth.

**Our business operations**

***Pre-engineered buildings* ("*PEB*")**

As per client requirements, we manufacture pre-engineered buildings equipped with features such as trusses, ventilators, storm water drainage systems, doors, rolling shutters, and equipment hoists, including crane systems. Recognized for their low-rise, wide-span design, PEBs are extensively used in non-residential applications such as factory workshops, vehicle showrooms, warehouses, hospitals, shopping malls, and aircraft hangars. They are also employed in smaller constructions, including vehicle garages. PEBs are custom-designed, factory-built structures made of steel or other materials that are prefabricated and pre-engineered to meet specific requirements. (*Source: CARE Report*)

We also construct composite steel structures for high-rise buildings, providing end-to-end solutions encompassing civil, mechanical, electrical, MEP, HVAC, firefighting, and finishing works. The use of composite structures reduces construction time, enabling us to efficiently deliver projects for commercial establishments, schools, and airports.

Our capabilities include quality-controlled fabrication and manufacturing of steel structural components, with alignment checks, pre-matching, assembly, and finishing options such as platings and coatings. Quality and safety are integral to our operations, upheld through comprehensive training programs designed to enhance the skills of our workforce. Our personnel are trained to meet the standards of our customers to ensure strict adherence to our quality plans at every stage of production. As an ISO 9001:2015 certified company, we believe in delivering high-quality fabrications that meet the diverse needs of our clients. Some of our key completed projects are set out below:

| Name and description of the project | Photo |
|---|---|
| **Composite high-rise building** | |
| *Client:* Vishwa Samudra Engineering Private Limited<br><br>*Purpose:* Accommodation.<br><br>*Description:* Construction of G+8 composite building including civil, mechanical, electrical, and finishing works<br><br>*Value:* ₹600 million<br><br>*Location:* Mopa, Goa. |  |

| Name and description of the project | Photo |
|---|---|
| **Steel structured bulidings** | |
| *Client:* JK Cement Limited<br><br>*Purpose:* manufacturing facility<br><br>*Description:* pre-engineered building structure for limestone, corrective, coal, additive, and alternate fuels and raw materials sheds.<br><br>*Value:* 401.19 million<br><br>*Location:* Panna, Madhya Pradesh |  |
| *Client:* EPC work of PEB for A 2 building and corridor.<br><br>*Purpose:* Manufacturing and assembly facility of electronic products<br><br>*Value:* ₹2,020 million<br><br>*Location:* Bangalore, Karnataka<br><br>*Description:* dispatch and erection of more than 11,000 MT. | |
| *Client:* A logistics company<br><br>*Purpose:* Design, supply and erection of PEB structures including canopies<br><br>*Value:* 232.58 million<br><br>*Location:* Hyderabad, Telangana<br><br>*Description:* Civil, PEB, MEP and and finishing works for a 2, 66,762 square feet building | |
| *Client:* e-commerce company<br><br>*Purpose:* fulfilment centre.<br><br>*Description:* Design and supply of PEB works for construction of a fulfilment centre in India for the e-commerce company.<br><br>*Value:* 400 million<br><br>*Location:* Hyderabad | |

**Material handling systems ("*MHS*")**

As part of our MHS business, we provide bulk material handling systems and material processing systems to our clients. We leverage our engineering capabilities to design equipment, systems and processes used for the handling of various types of bulk material and creating engineering solutions for our clients to handle and process a wide range of materials in various forms to get a final product.

- ***Bulk material handling systems:*** Bulk material handling systems which focus on the movement of enormous quantities of raw materials are critical in industries like mining, cement, and agriculture.

*(Source: CARE Report)* These systems enable efficient, cost-effective movement, storage, and control of bulk materials (which may also include granular substances like coal and ores to packaged goods and aggregates). We leverage our capabilities to design equipment, systems and processes for such bulk material handling and provide our systems and processes such as conveyor systems, storage solutions, loading and unloading systems and crushing and screening equipment.

- ***Material processing systems:*** We specialize in designing, engineering, manufacturing, commissioning, and integrating material processing systems tailored for various industries like mining, steel production, cement manufacturing, infrastructure, and construction. Our expertise covers a wide range of systems, including conveyor systems, storage solutions, loading and unloading systems and crushing and screening equipment. We also design, engineer, manufacture, commission and integrate material processing systems such as crushing and screening systems, roller conveyor, feeder breaker, suspended magnets, double roller, bucket elevator, belt conveyors, dust extraction system, motorized slide gates. This comprehensive approach streamlines material processing from raw material to finished product.

Some of our notable projects in the MHS segment are given below:

| Name and description of the project | Photo |
|---|---|
| **Material handling system (Bulk material handling systems)** | |
| Design, engineering, supply, erection and commissioning of coal transfer conveyors of 5,500 TPH and wagon loading system of capacity of 4,000 TPH<br>• *Client:* A port company<br>• *Value:* ₹280 million<br>• *Location:* Krishnapatnam, Nellore |  |
| Design, engineering, manufacture, supply, erection, testing and commissioning of rapid loading system for handling coal<br>• *Client:* RVR Projects Private Limited<br>• *Purpose:* structural works<br>• *Description:* rapid loading system for handling coal<br>• *Value:* ₹1,670 million<br>• *Location:* Nagpur |  |
| **Material Processing Systems (Material Handling System)** | |
| Design, manufacturing and supply of green scrap handling system including reversible belt conveyor, screw feeders, green scrap sizer and crusher, reversible bucket elevator, vibrating screen and dust extraction systems<br>• *Client:* Hindustan Electro Graphite Limited<br>• *Value:* ₹410 million<br>• *Location:* Bhopal, Madhya Pradesh |  |

| Name and description of the project | Photo |
| --- | --- |
| Construction of dry tails filtration project and tails processing project<br><br>• *Client:* Arcelor Mittal Nippon Steel India Limited<br><br>• *Purpose:* Construction of dry tails filtration project and tails processing project<br><br>• *Description:* Construction of 150 TPH filtration plant with dry tails stacking system and construction of dry 150 TPH capacity dam tails reprocessing plant including services for civil, structural, equipment, piping works, building works, HVAC, electrical, instrumentation and automation works.<br><br>• *Location:* Kirandul, Chhattisgarh |  |

### *Engineering Services*

Our engineering services focus on manufacturing and fabrication of (i) heavy structural and precision engineering equipment and (ii) electrical and instrumentation with automation. Leveraging our engineering services capabilities, we have expanded to niche industries like defense and aerospace. In the aerospace space, we supplied three mobile launch pedestal for a national space agency. Our engineering services also support our PEB and MHS projects.

| Engineering services (Electrical and automation engineering) | |
| --- | --- |
| Construction and electrical work of weaving sheds and warping sheds<br>• *Client:* Vensa Projects Private Limited<br>• *Value:* ₹147.58 million<br>• *Location:* Rajanna Siricilla, Telangana |  |

| Engineering services (Heavy structural and precision engineering) | |
| --- | --- |
| Trestles and traverse beam<br><br>• *Client:* Navayuga Engineering Company Limited<br><br>• *Value:* ₹220.50 million<br><br>• *Description:* Trestles and platform sections, beams and girders, rail bridges and roof trusses<br><br>• *Location:* Visakhapatnam, Andhra Pradesh |  |
| Manufacture of power plant structures, spiral casings, draft tube elbow liners, bolted support structures and silos | |

- *Client:* A public sector undertaking which has been granted the Maharatna status by the Government of India.
- *Tonnage:* 2,270 MT

*Location:* Hyderabad, Telangana

**Manufacturing process**

***(I) Manufacturing process of pre-engineered building structure components and material handling conveyors***

***Design and engineering**:* We begin with a thorough understanding of client requirements, meticulously analyzing parameters like building size, intended usage, load conditions, and environmental factors to develop tailored solutions. Initial design concepts and layouts are created, forming the basis for detailed engineering using CAD software. Precise structural drawings are generated, detailing dimensions, materials, and connection specifications. Comprehensive structural analysis validates the design's safety, stability, and performance.

***Material selection and procurement**:* We select appropriate materials based on design specifications, ensuring structural integrity, durability, and performance. This includes choosing specific steel grades, fastener grades, and coatings. Raw materials are sourced from trusted suppliers with whom we maintain relationships to ensure timely availability and quality.

***Fabrication:*** Our fabrication process includes cutting steel coils and plates using techniques like shearing, sawing, and flame cutting. Components are shaped through bending, rolling, and pressing. Holes and slots are created for connections using CNC punching machines and drills. Steel components are joined through welding to form primary structural members. Finally, fabricated components are assembled into sub-assemblies like trusses, purlins, and girts.

***Surface treatment**:* We clean steel surfaces to remove impurities using shot blasting or chemical cleaning. Protective coatings, such as primer, powder coating, or galvanizing, are applied to prevent corrosion and enhance durability.

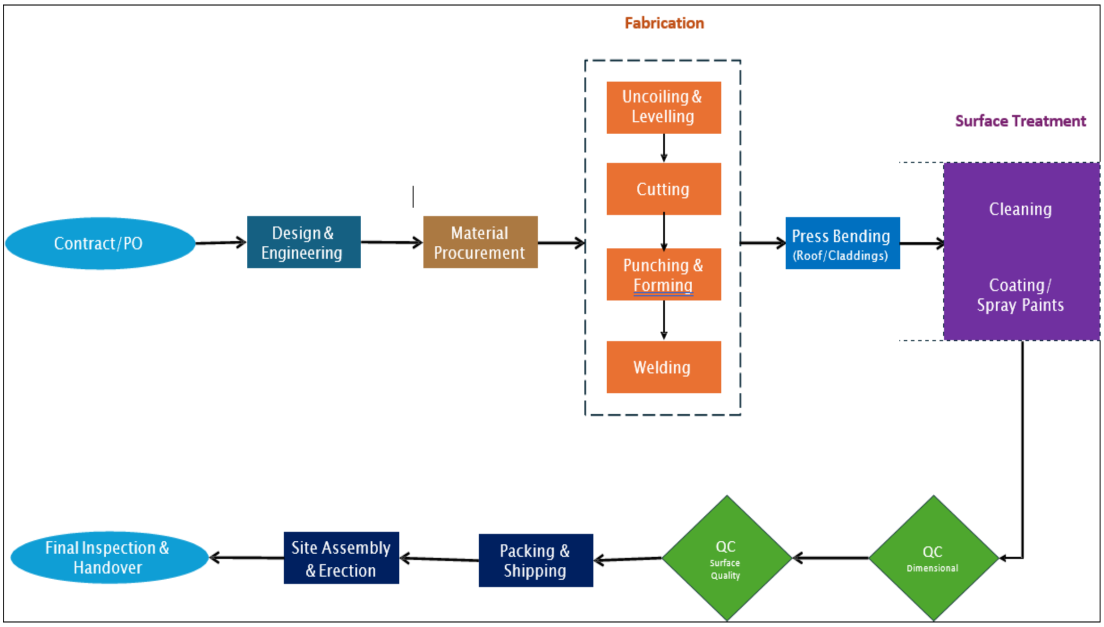
***Quality control and tests**:* We conduct dimensional inspections, weld inspections using NDT methods, and surface inspections. Load testing is performed when required to verify structural integrity.

***Packaging and shipping**:* Components are marked for identification, securely packaged, and transported to the construction site.

***Site assembly and erection:*** We prepare the foundation, unload and organize components, erect structural members using cranes and bolted connections, and ensure proper alignment and levelling. Final tightening of connections ensures structural stability.

***Final inspection and handover**:* The completed structure undergoes a thorough inspection before handover to the client, along with documentation and maintenance guidelines.

***Post-sale service***: We offer regular maintenance services and provide spare parts as needed.




***(II) Manufacturing Process of Material Handling Systems:***

Manufacturing material handling systems is a comprehensive process involving meticulous planning, engineering, and execution. Each step in the process plays a critical role in ensuring the system's functionality, safety, and durability. Below is a detailed description of the key stages:

***Design engineering stage***: includes requirement analysis (client consultation, site surveys, specification development), conceptual design (initial sketches, feasibility studies), detailed engineering (CAD modeling, component specification, stress analysis, safety feature integration), and simulation and analysis (dynamic simulation, performance testing).

***Procurement of raw materials stage:*** includes material selection based on properties and environmental considerations, supplier evaluation (research, quality assurance, cost analysis), and ordering and logistics (order placement, inventory management).

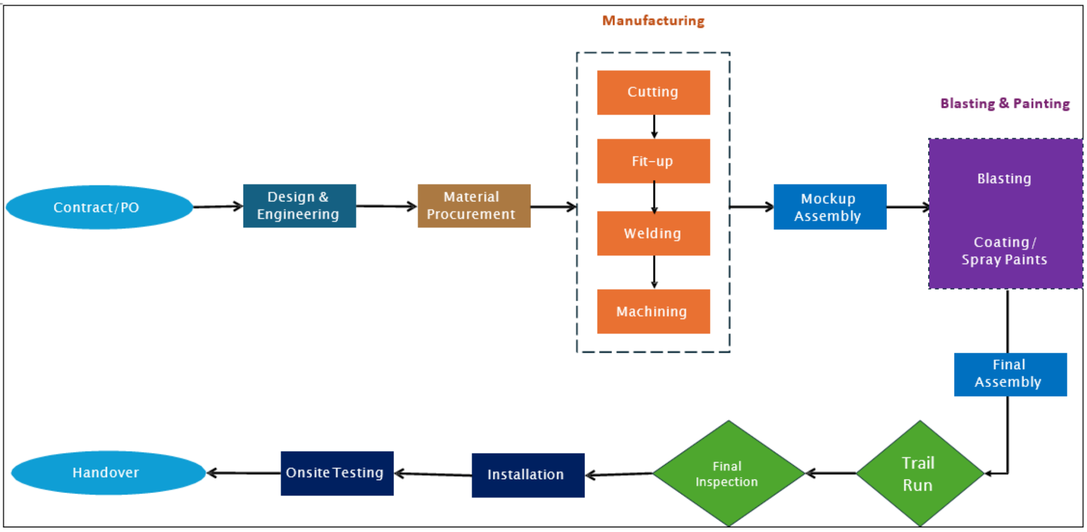
***Manufacturing stage***: includes cutting (appropriate methods, pattern cutting, edge preparation), fit-up (component positioning, alignment checks, tack welding), welding (technique selection, quality assurance), machining (CNC machining, tolerance checks, heat treatment), mockup assembly (pre-assembly, functional testing, adjustments), blasting (surface cleaning, profiling, inspection), painting (primer and topcoat application, curing), and final assembly (component integration, system integration, final alignment).

***Trial stage*****:** involves operational testing, load testing, data collection, and troubleshooting.

**Final Inspection**: includes a comprehensive inspection, client review, and documentation preparation.

**Commissioning**: involves site preparation, system installation, and utility connections.

**On-Site Testing**: includes functional testing, load testing, and calibration.




**Installed Capacity, Available Capacity, Actual Production and Capacity Utilisation**

The information relating to the installed capacity, available capacity, actual production and capacity utilisation of our products included below and elsewhere in this Draft Red Herring Prospectus has been certified by A Ajay Reddy, an independent chartered engineer by certificate dated March 27, 2025. The information on capacity utilization and available capacity is based on various assumptions and estimates and these assumptions and estimates include standard capacity calculation practice in the relevant industry and capacity of other ancillary equipment installed at the relevant manufacturing unit. See "***Risk Factors — Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects, and financial performance, and the information on installed capacities, historical production, and capacity utilization included in this Draft Red Herring Prospectus is based on estimates***" on page 48.

The table below sets forth certain information relating to the installed capacity, available capacity, actual production and capacity utilisation for our products for the periods indicated:

| Name of Manufacturing Unit | Product | Six months ended September 30, 2024$ | | | Fiscal 2024 | | | Fiscal 2023 | | | Fiscal 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Installed capacity for six months (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) | Installed capacity (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) | Installed capacity (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) | Installed capacity (MTPA#) | Actual Production (MT) | Capacity utilisation (in %) |
| Manufacturing Unit 1 | BU* | 3,995 | 2,720 | 68.09% | 7,990 | 6,797 | 85.07% | 7,850 | 5,472 | 69.71% | 7,650 | 5,892 | 77.02% |
| | BU Accessories** | 1,035 | 846 | 81.74% | 2,070 | 1,735 | 83.82% | 1,545 | 989 | 64.01% | 1,350 | 987 | 73.11% |
| Manufacturing Unit 2 | BU | 2,122 | 1,401 | 66.02% | 4,244 | 3,394 | 79.97% | 3,591 | 2,379 | 66.25% | 3,045 | 2,251 | 73.92% |
| | Cold Forming*** | 1,980 | 1,424 | 71.92% | 3,960 | 3,157 | 79.72% | 2,610 | 1,747 | 66.93% | 2,610 | 1,927 | 73.83% |
| | Heavy Steel Fabrication**** | 2,825 | 2,067 | 73.17% | 5,650 | 4,726 | 83.65% | 2,175 | 1,409 | 64.78% | 2,175 | 1,562 | 71.82% |
| | Roofing***** | 660 | 552 | 83.64% | 1,320 | 1187 | 89.92% | 1026 | 678 | 66.08% | 870 | 647 | 74.37% |
| Manufacturing Unit 3 | Heavy Steel Fabrication | 2,100 | 1,633 | 77.76% | 4,200 | 3,493 | 83.17% | 2,065 | 1,281 | 62.03% | 1,700 | 1,272 | 74.82% |
| Manufacturing Unit 4 | Heavy Steel Fabrication | 1,950 | 1,329 | 68.15% | 3,900 | 3,220 | 82.56% | 1,721 | 1,056 | 61.36% | 1,481 | 1,064 | 71.84% |
| | BU | 1,050 | 771 | 73.43% | 1,985 | 1,780 | 89.67% | 726 | 568 | 78.24% | 683 | 489 | 71.65% |
| Manufacturing Unit 5^ | Heavy Steel Fabrication(5) | 4,325 | 3,033 | 70.13% | 6,100 | 4,789 | 78.51% | NA | NA | NA | NA | NA | NA |
| | Steel Joists****** | 1,575 | 1,022 | 64.89% | 2,725 | 2,128 | 78.09% | NA | NA | NA | NA | NA | NA |
| **Total** | | **23,617** | **16,798** | | **44,144** | **36,406** | | **23,309** | **15,579** | | **21,564** | **16,091** | |

**BU– Built-up sections such as H-shaped structures and I-shaped structures*
***BU Accessories – Angle bracings, etc.*
****Cold Forming – Galvanized cold formed C&Z sections made from galvanized coils*
*****Heavy Steel Fabrication – Steel structures including industrial frames and custom fabricated components*
******Roofing – Metal ceiling and corrugated roofing*
*******Steel Joists – General Fabrication*
*^ Unit was acquired and operational only from October 2023, hence data not available for previous years.*
*#MTPA – Metric Tonnes Per Annum*
*$26 weeks considered for the six months period ending September 30, 2024.*

*Notes:*
1. *Installed Capacity has been calculated by multiplying the number of machines/production line, the number of working hours per day, the number of working days in a week and the number of weeks per year/period.*
2. *For all Manufacturing Facilities, working hours per shift considered per day is eight hours, shifts per day considered is three, and three shifts operate per day.*
3. *52 weeks considered per year.*
4. *Since there is no other capital expenditure done in the existing facilities, apart from the capital works in progress – the production capacity for month ending September 2024 is considered at the same level as that of FY2023-24.*

5. *The number of machines/production lines is calculated by aggregating the actual number of machines/production lines available at the beginning of the relevant Financial Year/period, and the actual number of machines/production lines added during the Financial Year/period, and the actual number of machines/production lines removed during the Financial Year/period.*
6. *Overall production efficiency dropped during FY2023 due to in-house capex expansion projects restricting utilization of place thereby decrease in overall production output*
7. *The company has implemented a structured capacity expansion plan, growing from an aggregate installed capacity of 23,309 MTPA in FY2023 to 44,144 MTPA in Fiscal 2024, representing a significant increase over this period. Company has acquired new manufacturing facilities and expanded the facilities across all units and invested in automation. This expansion was accompanied by efficiency improvements that increased overall capacity utilization from 67% in Fiscal 2022 to 82% in Fiscal 2024.*
8. *The capacity expansion was implemented in a phased manner:*
   *- In Fiscal 2023, approximately 1,745 MTPA of additional capacity was installed across all units, with expansion across all units.*
   *- In Fiscal 2024, approximately 21,575 MTPA of additional capacity was added, with majorly due to acquisition of two units – one in Patancheru, Hyderabad, Telangana and one in Parawada, Visakhapatnam, Andhra Pradesh.*

   *Apart from this, other significant development works that have also contributed to the increase production capacities are listed as follows:*

   *Manufacturing Unit 1: There was a debottlenecking project implemented in Fiscal 2023 along with process optimization resulting in marginal increase.*

   *Manufacturing Unit 2: There was a major facility and machinery upgrade that was done during the Fiscal 2023 which resulted in significant production increase in the following year. There was also technology upgrade done in the Fiscal 2024.*

   *Manufacturing Unit 3 Capacity: Apart form acquiring a new land parcel which now forms a part of the Unit 3 in the Fiscal 2024, there has been minor upgradation of machinery through modifications and control system upgrades.*

   *Manufacturing Unit 4: Additional land was leased, which now forms a part of unit 4. Apart from this, there were equipment modernization activity and efficiency improvements coming from process optimization*
9. *Operating Factors Affecting Utilization:*
   - *Equipment reliability*
   - *Raw material availability*
   - *Market demand*
   - *Process stability*
   - *Maintenance effectiveness*
   - *Operator efficiency*

**Project Cycle**

A typical project cycle comprises the following phases:

***I. Pre-Qualification***

Project owners typically advertise potential projects in newspapers or on their websites by publishing prequalification notices. Our business development department regularly scans newspapers and websites to identify projects that could be of interest to us. We also have outreach programs, where we visit companies which have capex requirements to introduce ourselves. We also work with project management consultants for leads. Notices appearing in regional newspapers are collected by our relevant team. In certain cases, we also receive notices directly from our clients based on our existing relationships with them.

If a project is of interest, the tendering team and the head of the concerned business vertical evaluate our credentials considering the eligibility criteria specified for the project. We endeavour to qualify on our own for projects that are of interest. If we do not qualify due to eligibility requirements (such as local expertise), we may seek to form project-specific consortiums with other relevant experienced and qualified contractors. For details, see " ***– Consortiums***" on page 244. Forming a consortium requires internal approvals from the head of the relevant business vertical. We then seek inputs from all concerned departments to prepare pre-qualification applications. In certain cases, we may need to seek clarifications from the project owner on the pre-qualification notice.

Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), experience in executing similar projects, employee information, plant and equipment owned, and portfolio of executed and ongoing projects. After submitting the application, executives from our Company typically follow-up with the client until results of the pre-qualification are published.

For certain projects, pre-qualification applications are not required, and the project owner may directly invite tender submissions. In such cases, tender submissions are also evaluated based on past experience, technical documents including construction methodology and equipment details, in addition to the financial bid. Further, for several private clients where we have existing relationships, we are aware of upcoming projects directly through discussions with clients and such projects may be awarded on a limited competition or negotiation basis, *i.e.*, without a tender.

***II. Tendering***

Once we pre-qualify for a bid, tender documents are sent to pre-qualified bidders (including our Company) by the project owner. After we receive the tender documents, our tendering department seeks inputs from various concerned departments. A bid synopsis is also prepared for review by sales and marketing team.

Our sales and tendering departments work on identifying requirements where our services can be offered. There are three keyways of lead generation: (i) inward enquiries from existing clients or registered portals, (ii) exploring potential clients and introducing our offerings, and (iii) working with partners who help in lead generation. Additionally, our sales agents intimate the sales department (PEBS) about the availability of orders in the market. Upon acceptance of an order, a commission is paid to the agent based on a pre-approved rate of commission fixed or approved. This arrangement is formalized either through a duly executed service agreement or an offer letter, with payments made in accordance with the agreed terms at the beginning of the engagement.

***III. Initiation***

Once an enquiry is identified, it is shared with our proposals and tendering teams. The tendering team then assesses whether the pre-qualification ("**PQ**") criteria are met and communicates the outcome to the proposals team. If the PQ criteria are not met but there is potential for a joint venture ("**JV**"), the matter is escalated to the Managing Director for consideration. All decisions regarding JV partnerships are finalized by our Managing Director.

Once the PQ criteria are met, the proposals team collaborates with relevant verticals and teams, such as logistics and electrical, to gather cost estimates. Additionally, the tendering department provides the engineering department with key inputs for execution.

***IV. Designing***

Based on the project information form ("**PIF**"), the engineering department prepares the quote estimates and proposed drawings, which are then submitted to the tendering/sales department.

After receiving the proposed drawings, the sales/tendering department forwards them to the project management team for cost forecasting and delivery schedule estimation. All relevant teams thoroughly analyse the tender requirements and client problem statements. Before submitting their estimates, teams obtain budgetary quotes. The engineering department prepares the estimated fabrication cost, while the project management team formulates the erection schedule and estimated delivery timelines, which are shared with the sales department. The proposals team incorporates overhead costs and profit margins, determined by the vertical head in consultation with the Managing Director on a quarterly basis. Additional charges, including markup, freight, erection costs, and applicable taxes, are added to the estimated cost.

***V. Execution and receipt of payment***

Once the site is ready for construction/erection, project management team issues a shipping release to the logistics department. Payments are collected as per the agreed credit period. Receipts are processed through cheques, demand drafts, or letters of credit or electronic transfers.

**Supply Chain Management**

We purchase the majority of our materials from domestic suppliers with whom we place orders based on the raw materials that we need from time to time.

We depend on certain major suppliers for steel and other raw materials. For other materials, or if our major suppliers are unable to meet our requirements for steel and cement, we purchase construction materials from a variety of other suppliers on an ad hoc basis.

Our in-house materials supply chain management team helps us in procuring and delivering construction materials to our construction sites. The majority of the material procurement is done by the supply chain management team ("**SCM**") team. We have dedicated Purchase and Logistics teams within the SCM team to ensure efficient procurement and timely delivery of material to project sites. Project sites also procure certain site-specific materials.

**Electricity Supply and Power consumption**

Our Company ensures a reliable power supply throughout the construction, commissioning, and operational phases of our projects. During the construction phase, a temporary power supply is required before the establishment of a permanent connection. Depending on feasibility, this may include diesel generators, which are commonly used in remote locations where grid power is unavailable or unreliable, or a temporary grid connection obtained from the local electricity provider.

Power consumption during construction is primarily driven by heavy equipment and machinery such as cranes, welding machines, drilling machines, and batching plants. Additionally, temporary site facilities, including lighting for site offices, labor camps, and security, require power. Testing and commissioning activities, which involve the use of load banks, transformers, and pumps, also contribute to energy demand during this phase.

Once the electrical infrastructure is in place, our Company establishes a permanent power supply by connecting the project to the local power grid. To ensure uninterrupted operations, emergency backup systems such as diesel generators or uninterruptible power supply systems are also deployed as needed.

Control and monitoring systems, including supervisory control and data acquisition systems, automation systems, and control rooms, also require a consistent power supply. Additionally, auxiliary systems such as heating, ventilation, and air conditioning, lighting, security, and fire protection systems contribute to overall energy consumption.

A strong focus is placed on energy efficiency through the use of energy-efficient equipment and monitoring systems to minimize wastage.

**Equipment**

We procure and deploy a range of equipment for manufacturing and on-site project execution. Our equipment requirements are driven by the scale and complexity of our projects in pre-engineered buildings, material handling, and material processing. Depending on project duration, frequency of use, and cost considerations, we either purchase or lease equipment from our suppliers.

For short-term or specialized requirements, we hire equipment from third-party vendors to ensure operational flexibility and cost efficiency. Our procurement team assesses multiple factors, including rental costs, maintenance responsibilities, and availability, before entering into leasing arrangements. All rented equipment is evaluated for compliance with our safety and quality standards. Agreements with vendors include terms on rental duration, maintenance obligations, insurance coverage, and liability provisions.

Equipment used on-site is operated by trained personnel, and usage logs are maintained for operational tracking. Routine inspections are carried out to ensure efficiency and compliance with safety regulations. Upon completion of use, rented equipment is inspected and returned to vendors as per the agreed terms. Any additional costs arising from damage beyond normal wear and tear are settled in accordance with contractual obligations.

**Types of Contracts**

Our company primarily operates on an Order Book basis, securing contracts through a structured tendering process. These contracts are awarded based on a competitive bidding framework, where we submit proposals in response to client tenders. The process involves detailed cost estimation, delivery scheduling, and technical assessments to ensure alignment with client requirements. Once a tender is awarded, it translates into a confirmed order, which is then executed as per the agreed terms. Additionally, these contracts often involve predefined terms related to pricing, payment schedules, performance benchmarks, and compliance requirements.

**Consortiums**

Typically, we bid for projects as the sole contractor, with full responsibility for the entire project, including sole discretion to select and supervise subcontractors, if required. From time to time, on certain larger projects that require expertise, local knowledge or resources beyond what we have available, or when we wish to share the risk on a particularly large project, we form consortiums with other entities operating in the infrastructure sector. We form project-specific consortiums in the nature of an unincorporated "*association of persons*" as defined under the Income Tax Act, 1961.

In this, we are jointly responsible with the JV counterparty for the completion of the project. In a consortium, the scope of work of each member is clearly defined and so is the split of revenues between the parties. Customers directly make payments to each consortium member for their respective services. See also "***Risk Factors – Our Company has entered into consortium agreements with other parties for execution of projects. Any non-compliance with the terms of these consortium agreements may result in adverse action against the Company, reduced profits or, in some cases, significant losses***" on page 52.

**Customers**

We serve some of the largest globally recognized clients, which demand the highest product quality and expertise. Our customers' product requirements require us to adhere to some of the highest safety and quality standards and require us to provide sophisticated and complex engineering to achieve a customised offering to satisfy our customers with their desired outcomes. We believe that we have created an established presence in the PEB industry in India and have undertaken multiple PEB projects for customers such as JK Cement Limited, RVR Projects Limited, Blue Ocean Biotech Private Limited, SRR Projects Private Limited. Apart from this, we have also executed works for leading e-commerce and infrastructure companies.

The following table sets forth the value of our Order Book attributable to our top ten customers, in absolute terms and as a percentage of our total Order Book value as of the dates indicated.

*(₹ in million, except otherwise)*

| Sr. No. | Business | Order book | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount as of September 30, 2024 | Percentage with respect to the total order book as of September 30, 2024 | Amount as of March 31, 2024 | Percentage with respect to the total order book as of March 31, 2024 | Amount as of March 31, 2023 | Percentage with respect to the total order book as of March 31, 2023 | Amount as of March 31, 2022 | Percentage with respect to the total order book as of March 31, 2022 |
| 1. | Pre-engineered buildings | 2,018.65 | 26.52% | 935.30 | 12.96% | 854.52 | 14.66% | 255.64 | 8.05% |
| 2. | Material handling systems | 4,251.06 | 55.84% | 5,023.72 | 69.60% | 3,644.18 | 62.53% | 2,017.13 | 63.51% |
| 3. | Engineering services | 836.23 | 10.98% | 1,091.09 | 15.12% | 1,062.51 | 18.23% | 620.56 | 19.54% |

**Business Development**

We typically send introductory letters to new clients before making pre-qualification applications expressing our intent to register and pre-qualify, allowing prospective clients to familiarize themselves with our capabilities even before evaluating our application. To maintain client relationships and improve our chances to pre-qualify for projects, we prepare client-specific pre-qualification applications with details of our experience, project portfolio and resources. We also collect project-specific information from public sources, internal records and our network across the verticals, to make informed and informative pre-qualification applications.

Additionally, we maintain a business plan that sets out our strategic and long-term goals, and using this, we aim to convey to our clients that their projects are a part of our Company's long-term vision. Finally, after we complete a project, we continue to maintain relationships with former clients to stay abreast of any future projects or awards.

**Competition**

We operate in a competitive environment. Our competition for each project varies based on the type of project, contract value and potential margins, the complexity and location of the project, the reputation of the client and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records, the availability of skilled personnel and sufficiency of financial resources are key factors in client decisions among competitors, price is often the deciding factor in most tender awards

Set forth below are details of other infrastructure companies that we compete with, including their areas of operation and geographical presence, based on the CARE Report.

| Company Name | Area of operation |
|---|---|
| Interarch Building Products Limited | Design, manufacturing, and supply of high-quality building products, particularly in the pre-engineered building (PEB) sector. The company offers a range of solutions, including steel structures, roofing systems, and insulation products, catering to a wide array of industries such as manufacturing, warehousing, and commercial infrastructure. |
| JSW Severfield Structures Limited | Specializing in the design, fabrication, and erection of steel structures. Based in India, JSSL provides comprehensive solutions for a variety of industries, including infrastructure, industrial, and commercial construction. The company is renowned for its high-quality steel products, innovative design |

| Company Name | Area of operation |
|---|---|
| | capabilities, and expertise in executing large-scale projects and high-rise structures. |
| Pennar Industries Limited | Specializes in the production of high-quality engineered products and solutions. The company operates across diverse sectors including automotive, infrastructure, energy, and construction, offering a wide range of products such as precision steel components, cold-rolled steel, and structural products. Pennar Industries is known for its technological innovation, advanced manufacturing processes, and commitment to quality, serving both domestic and international markets. |

**Property and Manufacturing Units**

Our manufacturing units located across Andhra Pradesh and Telangana, spanning a total area of 15 acres. Our five manufacturing plants are strategically located across strategic locations in Hyderabad and Telangana with access to both manpower and network of supplier base. As on the date of this Draft Red Herring Prospectus, we manufacture our products in-house at our five Manufacturing Units.

| Sr. No. | Description of the Property | Nature of Holding | Area (in square metres) | Date and Term of the Lease/License |
|---|---|---|---|---|
| 1 | Sy No. 26AA, Chetlapotharam, Potharam Road, Gagillapur, Medak District 502 319, Telangana, India | Leased | 7,183.27 | July 31, 2020 to July 31, 2026 |
| 2 | Plot No. 125, 126, 141 and 142, Phase - III, Industrial Park, Pashamylaram 502 307, Sangareddy, Telangana, India | Owned | 18,014 | Not Applicable |
| 3 | Plot No. 59, 62, 64, Survey No. 556, IDA, Patencheru, Sangareddy, Telangana, India | Leased | 2,759.22 | February 24, 2025 to May 23, 2025 |
| 4 | Survey No. 457, Phase - III, IDA, Patancheru 502 319, Sangareddy, Telangana, India | Owned | 1,805.40 | Not applicable |
| 5 | Plot No. 10M3 and 10M4, Phase-III, APIIC, Pashchamylarrm, Telangana, India | Leased | 7,275.88 | October 6, 2024 to October 5, 2025 |
| 6 | Plot No. 10/K8, Phase 3 Extension, IP Pashmylarrm, Telangana, India | Leased | 3,469 | November 1, 2024 to October 31, 2027 |
| 7 | Survey No. 142, 144 and 145, Edulapaka Bonangi Village, Paravada Mandal 531 021, Vishakapatnam, Andhra Pradesh, India | Owned | 5,600.00 | Not Applicable |
| 8 | 5th Floor, Aditya Court, Banjara Hills, Telangana, India | Leased | 431.03 | July 1, 2024 to June 30, 2029 |
| 9 | 1st Floor, Aditya Court, Banjara Hills, Telangana, India | Sub-leased | 213.68 | March 1 2021 to February 28, 2027 |
| 10 | 6th Floor, Aditya Court, Banjara Hills, Telangana, India | Leased | 390.17 | July 19, 2023 to July 18, 2026 |
| 11 | Unit 602, Aditya Court, Banjara Hills, Telangana, India | Leased | 371.61 | July 1, 2023 to June 30, 2025 |
| 12 | Property bearing no. 45, Jan Shakthi Nagar,Airport Road,Indore, India | Leased | 1,428 | November 15, 2024 to October 15, 2025 |
| 13 | Plot No. P6, P3, P7, P9, Seetharampur, Shabad Mandal, Ranga Reddy District, Telangana | Owned | 164,308.2 | Not applicable |
| 14 | 131/4 Edulapaka Bonangi Village, Paravada, Visakhapatnam, Andhra Pradesh | Owned | 29,405.30 | Not applicable |

**Insurance**

Our operations are subject to hazards inherent to providing engineering services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate, including a contractor all risk policy, professional indemnity, commercial general liability, workmen's compensation insurance, group medical insurance, contractors plant and equipment insurance, fire insurance and transit policies. Our insurance policies may not be sufficient to cover our economic loss. For details, see "***Risk Factors - Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our business, results of operations, financial condition and cash flows***" on page 70.

**Health, Safety and Environment**

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to the maintenance of a safe workplace and providing the necessary training to employees in our workplace. Through our Ardee Health Safety and Environment Policy, we undertake regular risk assessments and safety audits. Our Ardee Health Safety and Environment Policy is ISO 45001:2018 certified.

We believe that we comply in all material respects with applicable environmental and occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees and subcontractors at our project sites. We dispose of hazardous wastes only through Pollution Control Board, authorized recyclers, adhering to the mandated manifest system.

**Corporate Social Responsibility**

We have constituted a Corporate Social Responsibility Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out our CSR activities. The focus areas of Company's CSR activities are eradication of hunger and malnutrition, promoting education and PM relief fund. The table below shows our contribution towards our corporate social responsibility.

| Category | Six months ended September 30, 2024 *(₹ million)* | Fiscal 2024 *(₹ million)* | Fiscal 2023 *(₹ million)* | Fiscal 2022 *(₹ million)* |
|---|---|---|---|---|
| Contribution to charitable trust and Prime Minister relief fund | * | 2.31 | 1.25 | 1.13 |

**Amount of ₹2.28 million is accrued for the six months period ended September 30, 2024 towards Corporate Social Responsibility.*

**Intellectual Property**

As of the date of this Draft Red Herring Prospectus, our Company has no registered IPR. As of the date of this Draft Red Herring Prospectus, our Company has made the following application for obtaining trademark registration:

| S. No | Description | Class of trademark under the Trademarks Act | Application No | Date of Application |
|---|---|---|---|---|
| 1. | ardee engineering | 42 | 6770940 | December 23, 2024 |
| 2. | ardee | 42 | 6770941 | December 23, 2024 |
| 3. | ardee engineering | 6 | 6908105 | March 17, 2025 |
| 4. | ardee engineering | 7 | 6908106 | March 17, 2025 |
| 5. | ardee engineering | 40 | 6908107 | March 17, 2025 |

**Human Resources**

As of December 31, 2024, we employed 678 permanent employees and 246 contract employees. The split of our permanent employees by department as of December 31, 2024 is set forth below:

| Sector | Number of Employees |
|---|---|
| Senior management | 14 |
| Design | 48 |
| Central team (Human resources, purchase, finance, accounts and sales team) | 53 |
| Engineering | 175 |
| Project management | 65 |
| Manufacturing | 146 |
| Project sites | 177 |

We focus on providing training to our employees, which includes civil training, mechanical training, electrical, electronic and instrumentation training, safety training.

## KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company, and the business undertaken by our Company. The information detailed in this section has been obtained from sources available in the public domain and is based on the current provisions of Indian law and the judicial, regulatory, and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.* *For details, see "**Government and Other Approvals**" on page 388.*

### Industry specific regulations

***Bureau of Indian Standards Act, 2016 (the "BIS Act")***

The Bureau of Indian Standards Act provides for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The Bureau of Indian Standards Act provides for the functions of the bureau which include, inter alia: (a) recognizing the mark of any international body or institution at par with the Standard Mark for goods, article, process, system or service; (b) seeking recognition of the Bureau and of the Indian Standards outside India in any country or with any international organization; (c) carrying out market surveillance or survey of any goods, article, process, system or service to monitor their quality and publishing findings of such surveillance or surveys; and (d) promotion of quality in connection with any goods, article, process, system or service by creating awareness among the consumers and the industry and educating them about quality and standards.

***National Building Code of India, 2016 ("National Building Code")***

The National Building Code of India, 2016 is a building code which has been prepared and published by the BIS for the purposes of regulating building construction activities in India. It serves as a model code for adoption by all agencies involved in building construction works, including public works departments, other government construction departments, local bodies and private construction agencies. The National Building Code mainly includes administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety) and building and plumbing services, landscaping and outdoor display structures; approach to sustainability; and asset and facility management. Further, the National Building Code prescribes the structural design aspects of steel buildings specifically in relation to general construction using hot rolled steel sections and steel tubes joined using riveting, bolting and welding. It also provides guidance on the various loads to be considered while designing a steel building and certain guidance on fabrication and erection requirements.

***Factories Act, 1948 (the "Factories Act")***

The Factories Act defines a 'factory' to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

***Legal Metrology Act, 2009 (the "Metrology Act")***

The Legal Metrology Act, 2009 aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are included in the relevant state specific legislations. Any non-compliance or violation of the provisions of the Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

***The Explosives Act, 1884 ("Explosives Act")***

The Explosives Act, 2008 read along with the Explosives Rules, 2008 ("**Explosives Rules**") regulates the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, "explosive" means inter alia any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect. The primary objective of this Explosives Act is to ensure public safety and prevent misuse of explosives. The Explosives Act empowers authorities to issue licenses for lawful activities 272 involving explosives and sets standards for safe handling and storage. In furtherance to the purpose of the Explosives Act, the Central Government has notified the Explosive Rules which sets out the classification, categorization and procedure for obtaining authorizations for the for the manufacture, import, export, transport, possess sell or use of any explosives. The Explosives Act sets out various penalty provisions for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

***The Gas Cylinder Rules, 2016 ("Gas Cylinder Rules")***

The Gas Cylinder Rules, 2016 which have been issued under the Explosives Act, regulates the filling, manufacturing, importing, possessing and transporting of any gas contained in cylinders in compressed or liquefied state. The Gas Cylinder Rules mandate that a cylinder can be filled with compressed gas and be subsequently possessed or transported by a person only after such person has been granted a license by the Chief Controller. The Gas Cylinder Rules set out the various conditions to be met in order to obtain such license. The Gas Cylinder Rules also state that in the event of non-compliance with the conditions of the license or the provisions of the Cylinder Rules, the license or approval shall be suspended or cancelled.

***The Static and Mobile Pressure Vessels (Unfired) Rules 2016 ("SMPV Rules")***

The Static and Mobile Pressure Vessels (Unfired) Rules 2016, which have been issued under the Explosives Act, regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

***Electricity Act, 2003 (the "Electricity Act")***

The Electricity Act is a central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("CERC"), the State Electricity Regulatory Commissions ("SERCs") or a joint commission (constituted by an agreement entered by two or more state governments or the central government in relation to one or more state governments, as the case may be. The generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers and have a right to open access, for the purpose of carrying electricity subject to availability of adequate transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the appropriate electricity regulatory commission.

***Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2023 ("CEA Regulations")***

The CEA Regulations supersede the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010. Enacted by the Central Electricity Authority under the Electricity Act, these regulations establish safety and electric supply measures. They outline general safety requirements for the construction, installation, protection, operation, and maintenance of electric supply lines and equipment. According to the CEA Regulations, installations, defined as any composite electrical unit used for generating, transforming, transmitting, converting, distributing, or utilizing electricity, must be periodically inspected and tested by an electrical inspector or a designated supplier at intervals not exceeding five years. If the owner fails to rectify defects identified in the inspection report, the electrical inspector has the authority to disconnect the electric supply to that installation, following a notice period of at least 48 hours.

***National Steel Policy, 2017 ("NSP")***

The NSP aims to establish a robust and sustainable steel industry in India, targeting a production capacity of 300 million tonnes per annum (MTPA) by 2030-31. The policy emphasizes enhancing the quality of steel production through advanced technology and processes while promoting environmentally sustainable practices to reduce carbon emissions. It encourages investment in research and development, infrastructure improvements, and skill development to create a skilled workforce. Additionally, the NSP seeks to streamline regulations to facilitate ease of doing business and attract both domestic and foreign investments, serving as a comprehensive roadmap for the growth and modernization of India's steel sector.

***Steel and Steel Products (Quality Control) Order, 2024***

The Steel and Steel Products (Quality Control) Order, 2024, notified on August 30, 2024, aims to enhance the quality standards of steel and steel products in India. It establishes mandatory quality standards based on relevant Indian Standards and requires manufacturers to obtain a certification mark from the Bureau of Indian Standards before production and sale. The order covers a wide range of steel products, mandates regular testing and inspection, and empowers authorities to monitor compliance and enforce penalties for violations. It seeks to protect consumers from substandard products, foster trust in domestic manufacturing, and ensure that the steel industry adheres to improved safety and performance standards.

**Environmental Legislations**

***Environment Protection Act, 1986 (the "EP Act") and the Environment Protection Rules, 1986 (the "EP Rules") read with the Environmental Impact Assessment Notification, 2006 (the "EIA Notification")***

The EP Act has been enacted with the objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent, control and abate environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes, prohibitions and restrictions on the location of industries as well as prohibitions and restrictions on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the spatial extent of potential impacts and potential impact on human health and natural and manmade resources.

***The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")***

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, and the establishment of the Central Pollution Control Board, as well as state pollution control boards ("**State PCB**"), to implement its provisions, including to lay down standards of treatment of sewage and trade effluents. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to establishing any industry, operation or process, or opening of any new outlets, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

***The Water (Prevention and Control of Pollution) Cess Act, 1977 (the "Water Cess Act")***

The Water (Prevention and Control of Pollution) Cess Act, 1977 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities. Every person carrying on certain industries and local authorities is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act, at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water (Prevention and Control of Pollution) Act, 1974 or any standards laid down under the Environment (Protection) Act, 1986.

***Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")***

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the relevant state pollution control board declare, by notification in the Official Gazette, any area or areas within the state as air pollution control area or areas for the purposes of the Air Act. 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. Further, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, 'hazardous waste', among others, means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter, or operator of a disposal facility is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and shall be liable to pay any financial penalty that may be levied by the respective state pollution control board for violation of the Hazardous Waste Rules.

***Plastic Waste Management Rules, 2016 (the "Plastic Waste Management Rules")***

In terms of the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to, among others, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. The waste generator shall also take steps to minimize generation of plastic waste. These rules also require the producers, importers and brand owners to collect back the plastic waste generated due to their products.

***Public Liability Insurance Act, 1991 ("Public Liability Act")***

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government of India by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute a sum equal to the premium paid on the insurance policies towards the environment relief fund.

**Employment related laws**

***Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")***

The CLRA regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment.

***Shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exist, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, in each state, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to CLRA and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- Employee's Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- The Equal Remuneration Act, 1976;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986;
- The Labour Welfare Fund Act, 1965; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(a) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, *among other things*, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.

(b) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.

(c) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

(d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force Section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. 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 Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

***Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 ("Construction Workers Act")***

The Construction Workers Act provides for regulation of employment and conditions of service of building and other construction workers including safety, health and welfare measures in every establishment which employs or employed during the preceding year, 10 or more workers. Every establishment to which the Construction Workers Act applies is required to obtain a registration thereunder within a period of 60 days from the commencement of work. In the event that after the registration of an establishment, any change occurs in the ownership or management in respect of such establishment, such change is also required to be intimated by the employer to the registering officer within 30 days of such change. Further, every employer is required to issue a notice of commencement of building or other construction work 30 days in advance

***Buildings and Other Construction Workers' Welfare Cess Act, 1996 ("BOCW Cess Act")***

The BOCW Cess Act provides for the levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting 'the resources of the Building and Other Construction Workers' Welfare Boards constituted under the Construction Workers Act. The BOCW Cess Act requires the prescribed quantum of cess (between 1-2%) to be levied and collected from every employer (as defined in the Construction Workers Act).

**Intellectual Property Laws**

***The Trademarks Act, 1999 ("Trademarks Act") and the Trademarks Rules, 2017 ("Trademarks Rules")***

The Trade Marks Act governs the statutory protection of trademarks and prohibits any use of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of registered trademarks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. The Trademarks Rules provide for inter-alia the procedures for filing an application for registration of trademarks to the Trademarks Registry and for filing an opposition to any application for registration of a trademark.

**Tax laws**

***Income Tax Act, 1961 (the "Income Tax Act")***

The Income Tax Act deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of Income Tax Act, the rates at which entities are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the same. Filing of returns of income is compulsory for all assesses.

***Goods and Service Tax***

Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act, 2017, and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the states including union territories with legislature/ union territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), State Goods and Services Tax Act, 2017 ("**SGST**"), Union Territory Goods and Services Tax Act, 2017 ("**UTGST**"), Integrated Goods and Services Tax Act, 2017 ("**IGST**") and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

**Foreign investment and trade regulations**

***Foreign investment regulations***

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy (the "**Consolidated FDI Policy**"), effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.

In terms of the Consolidated 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 foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA Regulations has now been entrusted to the concerned administrative ministries or departments. Foreign direct investment for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where foreign direct investment is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing

the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

Under the current Consolidated FDI Policy, 100% foreign investment is permitted in 'Manufacturing' sector under automatic route.

***The Customs Act, 1962 (the "Customs Act")***

The Customs Act governs the regulation of import and export of goods in India, establishing procedures for the assessment, collection, and enforcement of customs duties and taxes. It outlines the framework for customs clearance, including the documentation required, valuation of goods, and classification for duty purposes. It also provides mechanisms for addressing contraventions, smuggling, and violations of trade regulations. The Customs Act empowers customs authorities to inspect and seize goods, enforce trade policies, and ensure compliance with both national and international trade laws. By facilitating smooth trade while safeguarding national interests, the Customs Act plays a crucial role in India's trade and economic landscape.

***Other applicable laws***

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013 and rules framed thereunder, the Indian Contract Act, 1872, the Specific Relief Act, 1963, the Transfer of Property Act, 1882, the Sale of Goods Act, 1930, each as amended, and other applicable statutes promulgated by the relevant Central and State Governments.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally formed as a partnership firm 'Ardee Engineering Company' pursuant to a partnership deed dated January 18, 2008 ("**Partnership Deed**") in Hyderabad, Andhra Pradesh, registered under the Indian Partnership Act, 1932 bearing firm registration number 253 of 2008, issued by Government of Andhra Pradesh dated February 6, 2008. The Partnership Deed was entered into amongst Chandra Sekhar Moturu and Ragdeep Moturu to commence the business of engineering works.

Subsequently, pursuant to a certificate of incorporation dated July 20, 2020, issued by the Registrar of Companies, Central Registration Centre the partnership firm was converted into and was registered as a private limited company under the provision of Chapter XXI of the Companies Act, 2013 under the name 'Ardee Engineering Private Limited'. The first directors of our Company, namely, Chandra Sekhar Moturu and Ragdeep Moturu were allotted 8,100,000 equity shares and 900,000 equity shares, respectively of our Company, Thereafter, pursuant to a board resolution dated June 3, 2024 and shareholders' resolution dated June 5, 2024, 'Ardee Engineering Private Limited' was converted into a public limited company and the name of our Company was changed to 'Ardee Engineering Limited', and a fresh certificate of incorporation dated August 5, 2024 was issued by the Registrar of Companies, Central Registration Centre.

### Changes in the registered office of our Company

The Registered Office of our Company is currently situated at 8-2-334/K/1, Flat Nos. 101, 102 and 103 Aditya Court, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India. Further, there has been no change in the registered office of our Company since its incorporation.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *To continue the business of partnership firm viz. ARDEE ENGINEERING COMPANY, which was converted into a company limited by shares pursuant to Part I of Chapter XXI of the Companies Act, 2013, along with all assets and liabilities, rights, privileges, obligations, consents, permission, concessions vest automatically to the company immediately after conversion.*

2. *To carry on the business of under taking of all types of mechanical, electromechanical works, electrical, civil works, undertaking of Supply Works, and other engineering works including Fabrication Works and manufacturing of all types of Machinery that may be installed and used in the construction of all types of Projects, Dams, Civil Works, Roads including all types of Earth Works with State and Central Governments, Corporations, Municipalities and with such other local Self Government bodies or authorities or individuals or bodies.*

3. *To carry on the business of providing in part or end to end services including consultancy services of design, procurement, fabrication, supply, erection, after sales services, Pre-Engineered Building projects, Cranes, Dam gates, civil works, electrical works, heavy steel structure works, conveyors, silos, special steel structures, bridges, special equipment and similar works.*

4. *To carry on the business of buying, importing, marketing, selling and exporting and otherwise dealing in all types of components for industrial and home appliance products.*

5. *To carry on in India or elsewhere the business of construction, consultants, civil engineers, builders and developers of land contractors, colonizers, civil contractors and undertake any residential, commercial or Industrial, construction either independently or jointly in joint venture, partnership or on agency or sub contracts basis with or on behalf of any Individual firm, body corporate, association or society, Central or State Government, or any local authority to work as colonizer, developer of land and farm houses and buildings for residential purposes.*

6. *To carry on the business of buying and selling and otherwise dealing in IT hardware and software components & products and run computer training and data processing centers and to act as consultants, advisors, developers and traders in computer programming, system development, system design, system architecture, software designing, computer aided designs, data compilation and statistical analysis and to carry on the business of traders, developers, assemblers, repairs, importers, exporters of software packages, computer systems, computer peripherals, computer hardware parts, computer consumables and electronic communication systems, data publishing and processing systems and other industrial automation systems and gadgets*

7. *To carry on and engage in the business at its own or in association with any Indian or foreign agency, individuals, firm, company or Govt. undertaking either in India or abroad and to act as franchise agent for electronic information technology development, upgradation, processing and up gradation of hardware, software, website, web-page, internet, e-mail, online electronic communication systems, data processing, developing, producing, generating and dealing in all types of the computer hard wares, softwares, computer stationery and to run and operate the computer hardware and software training institute for the training of the Computer operations, development, up gradation of softwares, data scientist training, robotics, artificial intelligence training, Training of SAP packages, ERP packages, accounting, ISO certification other packages and programming in India and abroad.*

8. *To provide consultancy services related to the preparation and maintenance of accounting, statistical or mathematical information and reports, data processing, computer programming and all other related business.*

9. *To provide and render management consultancy, warehousing, logistics, advisory and liasoning services in respect of matters related to objects mentioned above to any company, corporation, body corporate, industry, firm, association, body of individuals, institution, concern, government, public or local authority, trust, research and development centers or any other person"*

The main objects clause and matters necessary for furtherance of the main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being undertaken by us.

**Amendments to our Memorandum of Association**

Set out below are the amendments to our Memorandum of Association in the last 10 years:

| Date of Shareholder's resolution | Particulars |
|---|---|
| November 23, 2022 | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each to ₹200,000,000 divided into 20,000,000 equity shares of ₹10 each |
| December 24, 2022 | Change in objects clause of the company by way of addition of sub clauses (5), (6), (7), (8) and (9) after sub clause (4) of clause 3 (A) of the Memorandum of Association of Company:<br><br>5. *To carry on in India or elsewhere the business of construction, consultants, civil engineers, builders and developers of land contractors, colonizers, civil contractors and undertake any residential, commercial or Industrial, construction either independently or jointly in joint venture, partnership or on agency or sub contracts basis with or on behalf of any Individual firm, body corporate, association or society, Central or State Government, or any local authority to work as colonizer, developer of land and farm houses and buildings for residential purposes.*<br><br>6. *To carry on the business of buying and selling and otherwise dealing in IT hardware and software components & products and run computer training and data processing centers and to act as consultants, advisors, developers and traders in computer programming, system development, system design, system architecture, software designing, computer aided designs, data compilation and statistical analysis and to carry on the business of traders, developers, assemblers, repairs, importers, exporters of software packages, computer systems, computer peripherals, computer hardware parts, computer consumables and electronic communication systems, data publishing and processing systems and other industrial automation systems and gadgets*<br><br>7. *To carry on and engage in the business at its own or in association with any Indian or foreign agency, individuals, firm, company or Govt. undertaking either in India or abroad and to act as franchise agent for electronic information technology development, upgradation, processing and up gradation of hardware, software, website, web-page, internet, e-mail, online electronic communication systems, data processing, developing, producing, generating and dealing in all types of the computer hard wares, softwares, computer stationery and to run and operate the computer hardware and software training institute for the training of the Computer operations, development, up gradation of softwares, data scientist training, robotics, artificial intelligence training, Training of SAP packages, ERP packages, accounting, ISO certification other packages and programming in India and abroad.*<br><br>8. *To provide consultancy services related to the preparation and maintenance of accounting, statistical or mathematical information and reports, data processing, computer programming and all other related business.*<br><br>9. *To provide and render management consultancy, warehousing, logistics, advisory and liasoning services in respect of matters related to objects mentioned above to any company, corporation, body corporate, industry, firm, association, body of individuals, institution, concern, government, public or local authority, trust, research and development centers or any other person*. |
| March 30, 2024 | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹200,000,000 divided into 20,000,000 equity shares of ₹10 each to ₹350,000,000 divided into 35,000,000 Equity Shares of ₹10 each |
| January 29, 2025 | Clause V of the Memorandum of Association of our Company was amended to reflect the subdivision in the authorized share capital of our Company from 35,000,000 equity shares of ₹10 each to 70,000,000 Equity Shares of face value ₹5 each. |

**Major events and milestones of our Company**

The table below sets forth some of the major events and milestones in the history of our Company:

| Calendar Year | Description |
|---|---|
| 2008 | Commenced business as a partnership firm with execution of electrical and instrumentation engineering projects |
| 2022 | Acquisition of the first manufacturing unit in Pashamylaram, Telangana |
| 2023 | Our second manufacturing unit was setup in Patancheru, Telangana |
| 2023 | Our third manufacturing unit was setup in Visakhapatnam, Andhra Pradesh |

**Awards, accreditations and recognition**

As on the date of the Draft Red Herring Prospectus, our Company has not received any awards, accreditations and recognition.

**Significant financial and strategic partnerships**

Our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

**Time/cost overrun in setting up projects**

Except as disclosed in "***Risk Factors - Our actual cost incurred in completing a project may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses incurred, which could adversely affect our financial condition, results of operation and cash flows***" on page 43, our Company has not experienced any time or cost overruns in relation to any projects set up by our Company except in the ordinary course of business.

**Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks**

There has been no instance of rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

**Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of projects**

For details of key services offered by our Company, entry into new geographies or lines of business or exit from existing markets or capacity/facility creation, location of plants, see "***Our Business***" on page 219.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years**

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

**Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale**

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, no guarantee has been issued by our Promoter Selling Shareholder to third parties:

| S. No. | Guarantee issued in favour of | Borrower | Guarantee amount (₹ in million) | Type of facility |
|---|---|---|---|---|
| 1. | HDFC Bank Limited | Our Company | 1,183.00 | Term loan, working capital facility and cash credit |
| 2. | ICICI Bank Limited | Our Company | 710.70 | Term loan and cash credit |
| 3. | State Bank of India | Our Company | 690.00 | Credit facility |

**Shareholders' agreement and other key agreements**

There are no inter-se agreements, arrangements, deeds of assignment, acquisition agreements, shareholders' agreements, any agreements between our Company, our Promoters, and our Shareholders, or agreements of like nature or agreements comprising clauses/covenants which are material to our Company and non-disclosure of which may have bearing on the investment decision of an investor. Therefore, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public shareholders of our Company. There are no agreements entered into by our Company pertaining to the primary and secondary transactions of securities of our Company.

Further, there are no agreements entered into by the shareholders, Promoters, members of our Promoter Group, related parties, Directors, Key Managerial Personnel, employees of our Company or of its Associate, among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company, whether or not our Company is a party to such agreements.

**Key terms of other subsisting material agreements**

Our Company has not entered into any subsisting material agreements with strategic partners, joint venture partners and/or financial partners other than in the ordinary course of business of our Company.

**Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee**

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Holding company**

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

**Our associates**

As on the date of this Draft Red Herring Prospectus, our Company has two Associates. For details, see "***Our Associates***" on page 259.

**Confirmations**

There are no material clauses of our Articles of Association that have been left out from disclosures having a bearing on the Offer or this Draft Red Herring Prospectus.

## OUR ASSOCIATES

As on the date of this Draft Red Herring Prospectus, our Company has two associates.

**Associates of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has two Associates, the details of which are provided below:

**1. Ingwenya Mineral Tech Private Limited ("Ingwenya Mineral Tech")**

*Corporate Information*

Ingwenya Mineral Tech India Private Limited was originally incorporated pursuant to a certificate of incorporation dated February 4, 2008, issued by Registrar of Companies, Karnataka at Bangalore as a private limited company under the Companies Act, 1956. Subsequently, a fresh certificate of incorporation dated June 4, 2008, was issued by the Registrar of Companies, Karnataka at Bangalore, consequent upon change of its name to Ingwenya Mineral Tech Private Limited. Ingwenya Mineral Tech Private Limited's CIN is U29128KA2008PTC045154 and its registered office is situated at Plot No.34, 3rd Phase, 4th Main Peenya Industrial Area, Peenya, Bangalore 560 058, Karnataka, India.

*Nature of business*

Ingwenya Mineral Tech Private Limited is engaged in the business of manufacture of machinery for mining and steel industry.

*Capital structure*

The capital structure of Ingwenya Mineral Tech Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

| **Authorised share capital** | **Aggregate nominal value** |
|---|---|
| 500,000 equity shares of ₹100 each | ₹50,000,000 |
| **Issued, subscribed and paid-up share capital** | |
| 420,244 equity shares of ₹100 each | ₹42,024,400 |

*Shareholding pattern*

The shareholding pattern of Ingwenya Mineral Tech Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

| Sr No. | Name of the shareholder | Number of equity shares of ₹100 each | Percentage of total share capital (%) |
|---|---|---|---|
| 1. | Maxflot Investments Limited | 105,820 | 25.18 |
| 2. | Ardee Engineering Limited | 90,870 | 21.62 |
| 3. | Manjunath Akkipeddi | 79,071 | 18.81 |
| 4. | Max Flot Limited, Mauritius | 67,453 | 16.05 |
| 5. | Katta Usha Kiran | 60,580 | 14.40 |
| 6. | Marc Levy, RSA | 16,450 | 3.91 |
| | **Total** | **420,244** | **100.00** |

**2. Ardee Yantrik Private Limited**

*Corporate Information*

Ardee Yantrik Private Limited was incorporated pursuant to a certificate of incorporation dated November 27, 2024 issued by Registrar of Companies, Central Registration Centre as a private limited company under the Companies Act, 2013. Ardee Yantrik Private Limited's CIN is U28299TS2024PTC191396, and its registered office is situated at 8-2-334/K/1, Flat Nos. 101, 102 and 103, Aditya Court, Banjara Hills, Hyderabad, Khairatabad 500 034 Telangana, India.

*Nature of business*

Ardee Yantrik Private Limited is engaged in the business of manufacturing, designing, developing, and improvement of automated and semi-automated machinery such as cranes, jigs, fixtures, dies, material handling systems and related specialized equipment.

*Capital structure*

The capital structure of Ardee Yantrik Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

| **Authorised share capital** | **Aggregate nominal value** |
|---|---|
| 100,000 equity shares of ₹10 each | ₹1,000,000 |
| **Issued, subscribed and paid-up share capital** | |
| 50,000 equity shares of ₹10 each | ₹500,000 |

*Shareholding pattern*

The shareholding pattern of Ardee Yantrik Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of the shareholder | Number of equity shares of ₹10 each | Percentage of total capital (%) |
|---|---|---|---|
| 1. | Ardee Engineering Limited | 20,000 | 40.00 |
| 2. | Dheeraj Mehta | 15,000 | 30.00 |
| 3. | Ullal Shreyas Kini | 15,000 | 30.00 |
| | **Total** | **50,000** | **100.00** |

**Joint Ventures**

Our Company, does not have any joint ventures as on the date of this Draft Red Herring Prospectus:

**Confirmations**

As on the date of this Draft Red Herring Prospectus, our Associates are not listed in India or abroad.

As on the date of this Draft Red Herring Prospectus, except as disclosed in "***Other Financial Information – Related Party Transactions***" on page 342, our Associates do not have any: (i) business interest in our Company; or (ii) related business transactions with our Company.

*Common pursuits*

As on the date of this Draft Red Herring Prospectus, our Associates, have common pursuits with our Company and are authorized to engage in similar business to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise.

## OUR MANAGEMENT

In terms of the Companies Act, 2013 and our Articles of Association, our Company is required to have a minimum of three Directors and a maximum of 15 Directors, provided that our Company may appoint more than 15 directors after passing a special resolution in a general meeting of our shareholders.

As on the date of this Draft Red Herring Prospectus, our Board comprises 11 Directors, of whom five are Executive Directors and six are Independent Directors of which one is a woman Independent Director.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

| Name, designation, current term, period of directorship, address, occupation, date of birth, age and DIN | Directorships in other companies |
|---|---|
| **Chandra Sekhar Moturu**<br><br>*Designation:* Chairman and Managing Director<br><br>*Current term:* Three years with effect from August 25, 2024, not liable to retire by rotation<br><br>*Period of directorship:* Director since incorporation<br><br>*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India<br><br>*Occupation:* Businessman<br><br>*Date of birth:* July 21, 1961<br><br>*Age:* 63<br><br>*DIN:* 02010969 | *Indian companies*<br><br>1. Anvizen Consultants Private Limited;<br>2. Arch Logistics Private Limited;<br>3. Ardee Drives Private Limited;<br>4. Ardee Yantrik Private Limited;<br>5. Ingwenya Mineral Tech Private Limited; and<br>6. Rotec Transmissions Private Limited.<br><br>*Foreign companies*<br><br>Nil |
| **Ragdeep Moturu**<br><br>*Designation:* Whole Time Director<br><br>*Current term:* Three years with effect from August 25, 2024, liable to retire by rotation<br><br>*Period of directorship:* Director since incorporation<br><br>*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India<br><br>*Occupation:* Businessman<br><br>*Date of birth:* July 23, 1989<br><br>*Age:* 35<br><br>*DIN:* 07587747 | *Indian companies*<br><br>1. Ardee Drives Private Limited; and<br>2. Rotec Transmissions Private Limited.<br><br>*Foreign companies*<br><br>Nil |
| **Arundeep Moturu**<br><br>*Designation:* Executive Director<br><br>*Current term:* Three years with effect from August 25, 2024, liable to retire by rotation<br><br>*Period of directorship:* Director since August 25, 2024<br><br>*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India<br><br>*Occupation:* Businessman<br><br>*Date of birth:* July 11, 1993<br><br>*Age:* 31<br><br>*DIN:* 10566391 | *Indian companies*<br><br>Nil<br><br>*Foreign companies*<br><br>Nil |
| **Krishna Kumari Moturu**<br><br>*Designation:* Executive Director<br><br>*Current term:* Three years with effect from August 25, 2024, liable to retire by rotation<br><br>*Period of directorship:* Director since August 25, 2024 | *Indian companies*<br><br>1. Aitas Tech Labs Private Limited<br><br>*Foreign companies*<br><br>Nil |

| Name, designation, current term, period of directorship, address, occupation, date of birth, age and DIN | Directorships in other companies |
|---|---|
| *Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India<br><br>*Occupation:* Business<br><br>*Date of birth:* April 18, 1990<br><br>*Age:* 34<br><br>*DIN:* 10376709 | |
| **Gorrepati Sundararama Sarma**<br><br>*Designation:* Executive Director<br><br>*Current term:* Three years with effect from August 25, 2024, and liable to retire by rotation<br><br>*Period of directorship:* Director since May 5, 2023<br><br>*Address:* House No. 14- 542/2, villa no. 2, Mythri Lake View, Nehru Outer Ringroad, near Praneeth Pranav Gems, Gandhi Nagar, Bollaram, Patancheru, Sangareddy 502 319, Telangana, India<br><br>*Occupation:* Employed<br><br>*Date of birth:* December 21, 1972<br><br>*Age:* 52<br><br>*DIN:* 10122348 | *Indian companies*<br><br>1. Ardee Drives Private Limited; and<br>2. Rotec Transmissions Private Limited.<br><br>*Foreign companies*<br><br>Nil |
| **Yalamanchili Visweswara Prasad**<br><br>*Designation:* Independent Director<br><br>*Current term:* Five years with effect from August 12, 2024<br><br>*Period of directorship:* Director since August 12, 2024<br><br>*Address:* A-38, Lake Community, Emaar Boulder Hills, Gachibowli, K.V. Rangareddy, Gachibowli 500 032, Telangana, India<br><br>*Occupation:* Business<br><br>*Date of birth:* December 16, 1958<br><br>*Age:* 66<br><br>*DIN:* 01830782 | *Indian companies*<br><br>Nil<br><br>*Foreign companies*<br><br>Nil |
| **Srinivas Aravapalli**<br><br>*Designation:* Independent Director<br><br>*Current term:* Five years with effect from August 12, 2024<br><br>*Period of directorship:* Director since August 12, 2024<br><br>*Address:* 403 Pegasus A Meenakshi Sky Lounge, Hytex Road, Hytex Exhibition Centre, Khanmet Kondapur, Rangareddy 500 084, Telangana, India<br><br>*Occupation:* Business<br><br>*Date of birth:* May 6, 1962<br><br>*Age:* 62<br><br>*DIN:* 10248373 | *Indian companies*<br><br>1. Bluebinaries Engineering and Solutions Private Limited; and<br>2. Roots Industries India Private Limited.<br><br>*Foreign companies*<br><br>Nil |
| **Ravinder Komaragiri**<br><br>*Designation:* Independent Director<br><br>*Current term:* Five years with effect from August 12, 2024<br><br>*Period of directorship:* Director since August 12, 2024 | *Indian companies*<br><br>Nil<br><br>*Foreign companies*<br><br>Nil |

| Name, designation, current term, period of directorship, address, occupation, date of birth, age and DIN | Directorships in other companies |
|---|---|
| *Address:* Villa 9, Praneeth West Woods, Kanchi Gachibowli Road, near T.I.F.R, Gopanpally, Serilingampally, Rangareddy 500 046, Telangana, India<br><br>*Occupation:* Self Employed<br><br>*Date of birth:* January 17, 1961<br><br>*Age:* 64<br><br>*DIN:* 08877012 | |
| **Ravikanth Mallina**<br><br>*Designation:* Independent Director<br><br>*Current term:* Five years with effect from August 12, 2024<br><br>*Period of directorship:* Director since August 12, 2024<br><br>*Address:* 23-15-23, near Ramakrishna Seva Samithi, Park Street Sajjpuram, Tanuka Mandal, Tanuka, West Godavari, Andhra Pradesh 534 211, Andhra Pradesh, India<br><br>*Occupation:* Business<br><br>*Date of birth:* May 7, 1963<br><br>*Age:* 61<br><br>*DIN:* 00297186 | *Indian companies*<br><br>1. Blue Ocean Biotech Private Limited;<br>2. Gowthami Aquachem Private Limited;<br>3. Gowthami Green Energy Private Limited;<br>4. Gowthami Hydro Electric Company Private Limited;<br>5. Gowthami Renewable Power Private Limited;<br>6. Northeastern Blended Fuels Private Limited;<br>7. Thrinaina Informatics Private Limited; and<br>8. West Mountain Power Limited<br><br>*Foreign companies*<br><br>Nil |
| **Anjaneyulu Krothapalli**<br><br>*Designation:* Independent Director<br><br>*Current term:* Five years with effect from September 17, 2024<br><br>*Period of directorship:* Director since September 17, 2024<br><br>*Address:* 129 Callecita, Los Gatos, California, 95032, United States of America<br><br>*Occupation:* Retired<br><br>*Date of birth:* June 15, 1950<br><br>*Age:* 74<br><br>*DIN:* 02908525 | *Indian companies*<br><br>Nil<br><br>*Foreign companies*<br><br>Nil |
| **Sneha Sunkara**<br><br>*Designation:* Independent Director<br><br>*Current term:* Five years from January 28, 2025<br><br>*Period of directorship:* Director since January 28, 2025<br><br>*Address:* Flat no. – 303, Gar Amali Apartments, Road no. 4, Beside Animal Care Hospital, Banjara Hills, Khairtabad Hyderabad 500 034, Telangana, India<br><br>*Occupation:* Business<br><br>*Date of birth:* November 14, 1994<br><br>*Age:* 30<br><br>*DIN:* 10289148 | *Indian companies*<br><br>1. Iniko Private Limited; and<br>2. ITP Limited.<br><br>*Foreign companies*<br><br>Nil |

**Brief profiles of our Directors**

**Chandra Sekhar Moturu** is the Chairman and Managing Director on our Board. He has been associated with our Company and the erstwhile partnership firm from their respective incorporation and has more than 17 years of experience serving our erstwhile partnership firm and our Company. He holds a bachelor's degree in technology (electronics and communications) from Nagarjuna University. He is responsible for strategic business decisions, financial management, and overseeing the overall operations of our Company.

**Ragdeep Moturu** is a Whole Time Director on our Board. He has been associated with our Company and our erstwhile partnership firm from their respective incorporation and has more than 17 years of experience serving the erstwhile partnership firm and our Company. He holds a bachelor's degree in technology (information technology) from VIT University and a master's degree in science from Rochester Institute of Technology, United States. He is responsible for managing the affairs related to PEB steel structures and purchase functions of our Company. Prior to joining our Company, he was associated with Vishwa Samudra Shipment Services Private Limited as president-marketing.

**Arundeep Moturu** is an Executive Director on our Board. He has been associated with our erstwhile partnership firm since December 21, 2015 and our Company since incorporation and has more than 9 years of experience serving the erstwhile partnership firm and our Company. He holds a bachelor's degree in science (mechanical engineering) from Purdue University. He is responsible for managing the business and special projects of our Company.

**Krishna Kumari Moturu** is an Executive Director on our Board. She is also the Chief Financial Officer of our Company. She has been associated with our erstwhile partnership firm since June 18, 2019 and our Company and has more than 5 years of experience serving the erstwhile partnership firm and our Company. She holds a bachelor's degree in technology (computer science and engineering) from Jawaharlal Nehru Technological University, Hyderabad. She also holds a master's degree in science (computer science) from University of Missouri. She has also completed a post graduate programme in management from the Indian School of Business. She is responsible for the finance, workforce planning, quarterly goal setting, process digitization and revenue functions of our Company. Prior to joining our Company, she was associated with Fareportal Inc. as product analyst and Bundl Technologies Private Limited as product manager.

**Gorrepati Sundararama Sarma** is an Executive Director on our Board. He has been associated with our erstwhile partnership firm since November 21, 2015 and our Company since incorporation and has more than 9 years of experience serving the erstwhile partnership firm and our Company. He holds a bachelor's degree in science from the Birla Institute of Technology and Science. He is responsible for the technical know-how, design and engineering related functions of our Company. Prior to joining our Company, he was associated with Bevcon Wayors Private Limited as assistant general manager.

**Yalamanchili Visweswara Prasad** is an Independent Director on our Board. He has been associated with our Company since August 12, 2024. He holds a bachelor's degree in arts from Jawaharlal Nehru University, New Delhi. Prior to joining our Company, he was associated as director with Goldstone Exports Private Limited, Matrix Insulators Private Limited, Sai Keerti Constructions Private Limited, Sai Pavan Estates Private Limited, India Telecom Finance Corporation Limited, Keerti Anurag Investment Private Limited, Jayasri Agencies Private Limited, Greater Golkonda Estates Private Limited and Sai Anupama Agencies Private Limited.

**Srinivas Aravapalli** is an Independent Director on our Board. He has been associated with our Company since August 12, 2024. He holds a bachelor's degree in technology (mechanical) from Nagarjuna University and master's degree in science (engineering) in automotive electronics from Coventry University, United Kingdom. He has also completed global programme for management development from Michigan Business School. Currently, he is also the chief executive officer of Bluebinaries Engineering and Solutions Private Limited. Prior to joining our Company, he was associated with Mahindra and Mahindra Limited.

**Ravinder Komaragiri** is an Independent Director on our Board. He has been associated with our Company since August 12, 2024. He holds a provisional certificate for bachelor's degree in technology (mechanical) from Nagarjuna University and a diploma in thermal engineering from Indian Institute of Technology, Delhi. He is a chartered engineer and a member of the Institute of Engineers (India). Prior to joining our Company, he was associated with Tata Power Company Limited as chief – generation business development and services business.

**Ravikanth Mallina** is an Independent Director on our Board. He has been associated with our Company since August 12, 2024. He holds a bachelor's degree in technology from Nagarjuna University. He is the managing director on the board of Blue Ocean Biotech Private Limited. Prior to joining our Company, he has served as the managing director at Gowthami Bio Energies Private Limited. He has previously been associated as a director on the board of West Mountain Power Limited and Elango Hydro Power Project Private Limited.

**Anjaneyulu Krothapalli** is an Independent Director on our Board. He has been associated with our Company since September 17, 2024. He holds a bachelor's degree in science from Andhra University. He also holds a diploma in aeronautical engineering from the Madras Institute of Technology and a doctorate in philosophy (aeronautical and astronautical engineering) from The Leland Standford Junior University. Prior to joining our Company, he was associated with Florida State University as professor emeritus.

**Sneha Sunkara** is an Independent Director on our Board. She has been associated with our Company since January 28, 2025. She holds a bachelor's degree in science (business studies) from the University of Lancaster and master's degree in science (Information Systems Management and Innovation) from University of Warwick. Prior to joining our Company, she was associated with Iniko Private Limited as manager- business development and is currently, a whole-time director.

**Relationship between our Directors, Key Managerial Personnel and Senior Management**

Except as disclosed below, there is no relationship between our Directors, Key Managerial Personnel or Senior Management of our Company.

| Director/ Key Managerial Personnel/ Senior Management | Relative | Nature of Relationship |
|---|---|---|
| Chandra Sekhar Moturu | Ragdeep Moturu | Son |

| Director/ Key Managerial Personnel/ Senior Management | Relative | Nature of Relationship |
|---|---|---|
| | Arundeep Moturu | Son |
| | Krishna Kumari Moturu | Daughter-in-law |
| Ragdeep Moturu | Chandra Sekhar Moturu | Father |
| | Arundeep Moturu | Brother |
| | Krishna Kumari Moturu | Spouse |
| Arundeep Moturu | Chandra Sekhar Moturu | Father |
| | Ragdeep Moturu | Brother |
| | Krishna Kumari Moturu | Sister-in-law |
| Krishna Kumari Moturu | Ragdeep Moturu | Spouse |
| | Chandra Sekhar Moturu | Father-in-law |
| | Arundeep Moturu | Brother-in-law |

**Terms of appointment of Directors**

*Terms of appointment of our Chairman and Managing Director*

***Chandra Sekhar Moturu***

Chandra Sekhar Moturu has been associated with our Company since incorporation. Currently, he is appointed as Managing Director of our Company pursuant to resolutions dated August 21, 2024, by the Board and September 30, 2024, by the Shareholders with effect from August 25, 2024, as amended, pursuant to resolution of our Board dated January 28, 2025 and Shareholders' resolution dated January 29, 2025 and employment agreement dated August 25, 2024 read with amendment agreement dated January 28, 2025. He is also appointed as the Chairman of our Company pursuant to resolution dated January 28, 2025 by the Board and January 29, 2025 by the Shareholders. He is entitled to the following remuneration and perquisites:

| Particulars | Particulars |
|---|---|
| **Salary** | Basic salary of ₹0.50 million per month |
| **Minimum remuneration** | Notwithstanding anything to the contrary contained in the employment agreement, where in any financial year during the currency of the tenure of Chandra Sekhar Moturu our Company has no profits or its profits are inadequate, our Company will pay remuneration, for a period of three years, by way of salary, benefits, perquisites and allowances and performance linked bonus as specified, subject to further approvals as required under Schedule V of the Companies Act, 2013 or any modifications thereto |
| **Benefits, perquisites and allowances** | a. *Medical and other allowances:* Conveyance allowance, travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by our Company and such other perquisites and special allowances as may be determined by the Board from time to time<br><br>*Explanation: For the purpose of these terms, "Family" means the spouse and dependent children of the Managing Director* |
| | b. *Employee benefits:* He is also entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:<br><br>i. contribution to the provident fund, contribution to gratuity fund as per the rules of our Company<br><br>ii. gratuity payable at the rate not exceeding half a month's salary for every completed year of service<br><br>iii. encashment of leave as per rules of our Company |
| | c. *Perquisites and allowances:* Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in section 197 read with schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time |
| | d. *Entertainment Reimbursement:* The reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors. |
| | e. *Travel Reimbursement:* The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |

*Terms of appointment of our Executive Directors*

***Ragdeep Moturu***

Ragdeep Moturu has been associated with our Company since incorporation. Currently, he is appointed as a Whole Time Director of our Company pursuant to resolutions dated August 21, 2024, by the Board and September 30, 2024, by the Shareholders with effect from August 25, 2024. Further, his terms of appointment were amended pursuant to resolution of our Board dated January 28, 2025 and Shareholders' resolution dated January 29, 2025 and employment agreement dated August 21, 2024 read with amendment agreement dated January 28, 2025. He is entitled to the following remuneration and perquisites:

| Particulars | Particulars |
|---|---|
| **Salary** | Basic salary of ₹0.40 million per month with a power to the Board to give one or more annual increment subject to maximum basic salary of ₹0.60 million per month |
| **Minimum remuneration** | Notwithstanding anything to the contrary contained in the employment agreement, where in any financial year during the currency of the tenure of Ragdeep Moturu our Company has no profits or its profits are inadequate, our Company will pay remuneration, for a period of three years, by way of salary, benefits, perquisites and allowances and performance linked bonus as specified, subject to further approvals as required under Schedule V of the Companies Act, 2013 or any modifications thereto |
| **Benefits, perquisites and allowances** | a. *Medical and other allowances:* Conveyance allowance, travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by our Company and such other perquisites and special allowances as may be determined by the Board from time to time<br>*Explanation: For the purpose of these terms, "Family" means the spouse and dependent children of the Whole Time Director* |
| | b. *Employee benefits:* He is also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:<br>i. contribution to the provident fund, contribution to gratuity fund as per the rules of our Company<br>ii. gratuity payable at the rate not exceeding half a month's salary for every completed year of service<br>*iii.* encashment of leave as per rules of our Company |
| | c. *Perquisites and allowances:* Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in section 197 read with schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time |
| | d. *Entertainment Reimbursement:* The reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |
| | e. *Travel Reimbursement:* The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |

***Arundeep Moturu***

Arundeep Moturu was appointed as an Executive Director of our Company pursuant to resolutions dated August 21, 2024, by the Board and September 30, 2024, by the Shareholders with effect from August 25, 2024 and employment agreement dated September 17, 2024. He is entitled to the following remuneration and perquisites:

| Particulars | Particulars |
|---|---|
| **Salary** | Basic salary of ₹0.20 million per month with a power to the Board to give one or more annual increment subject to maximum basic salary of ₹0.30 million per month |
| **Minimum remuneration** | Notwithstanding anything to the contrary contained in the employment agreement, where in any financial year during the currency of the tenure of Ragdeep Moturu our Company has no profits or its profits are inadequate, our Company will pay remuneration, for a period of three years, by way of salary, benefits, perquisites and allowances and performance linked bonus as specified, subject to further approvals as required under Schedule V of the Companies Act, 2013 or any modifications thereto |
| **Benefits, perquisites and allowances** | a. *Medical and other allowances:* Conveyance allowance, travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by our Company and such other perquisites and special allowances as may be determined by the Board from time to time<br>*Explanation: For the purpose of these terms, "Family" means the spouse and dependent children of the Executive Director* |
| | b. *Employee benefits:* He is also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:<br>i. contribution to the provident fund, contribution to gratuity fund as per the rules of our Company |

| Particulars | Particulars |
|---|---|
| | ii. gratuity payable at the rate not exceeding half a month's salary for every completed year of service<br>iii. encashment of leave as per rules of our Company |
| | c. *Perquisites and allowances:* Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in section 197 read with schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time |
| | d. *Entertainment Reimbursement:* The reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |
| | e. *Travel Reimbursement:* The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |

***Krishna Kumari Moturu***

Krishna Kumari Moturu was appointed as an Executive Director of our Company pursuant to resolutions dated August 21, 2024, by the Board and September 30, 2024, by the Shareholders with effect from August 25, 2024 and employment agreement dated September 17, 2024. She is entitled to the following remuneration and perquisites:

| Particulars | Particulars |
|---|---|
| **Salary** | Basic Salary of ₹0.20 million per month with a power to the Board to give one or more annual increment subject to maximum basic salary of ₹0.30 million per month |
| **Minimum remuneration** | Notwithstanding anything to the contrary contained in the employment agreement, where in any financial year during the currency of the tenure of Ragdeep Moturu our Company has no profits or its profits are inadequate, our Company will pay remuneration, for a period of three years, by way of salary, benefits, perquisites and allowances and performance linked bonus as specified, subject to further approvals as required under Schedule V of the Companies Act, 2013 or any modifications thereto |
| **Benefits, perquisites and allowances** | a. *Medical and other allowances:* Conveyance allowance, travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by our Company and such other perquisites and special allowances as may be determined by the Board from time to time<br>*Explanation: For the purpose of these terms, "Family" means the spouse and dependent children of the Executive Director* |
| | b. *Employee benefits:* She is also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:<br>i. contribution to the provident fund, contribution to gratuity fund as per the rules of our Company<br>ii. gratuity payable at the rate not exceeding half a month's salary for every completed year of service<br>iii. encashment of leave as per rules of our Company |
| | c. *Perquisites and allowances:* Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in section 197 read with schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time |
| | d. *Entertainment Reimbursement:* The reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |
| | e. *Travel Reimbursement:* The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |

***Gorrepati Sundararama Sarma***

Gorrepati Sundararama Sarma was initially appointed as a director pursuant to resolution dated May 5, 2023, by the Board and September 30, 2023, by the shareholders of our Company. Currently, he is appointed as an Executive Director of our Company pursuant to resolutions dated August 25, 2024, by the Board and September 30, 2024 by the Shareholders with effect from August 25, 2024 and employment agreement dated August 21, 2024. He is entitled to the following remuneration and perquisites:

| Particulars | Particulars |
|---|---|
| **Salary** | Basic salary of ₹0.30 million per month with a power to the Board to give one or more annual increment subject to maximum basic salary of ₹0.60 million per month |
| **Minimum remuneration** | Notwithstanding anything to the contrary contained in the employment agreement, where in any financial year during the currency of the tenure of Ragdeep Moturu our Company has no profits or its profits are inadequate, our Company will pay remuneration, for a period of three years, by way of salary, benefits, perquisites and allowances and performance linked bonus as specified, subject to further approvals as required under Schedule V of the Companies Act, 2013 or any modifications thereto |
| **Benefits, perquisites and allowances** | a. *Medical and other allowances:* Conveyance allowance, travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by our Company and such other perquisites and special allowances as may be determined by the Board from time to time<br><br>*Explanation: For the purpose of these terms, "Family" means the spouse and dependent children of the Executive Director* |
| | b. *Employee benefits:* He is also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:<br>i. contribution to the provident fund, contribution to gratuity fund as per the rules of our Company<br>ii. gratuity payable at the rate not exceeding half a month's salary for every completed year of service.<br>iii. encashment of leave as per rules of our Company |
| | c. *Perquisites and allowances:* Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in section 197 read with schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time |
| | d. *Entertainment Reimbursement:* The reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |
| | e. *Travel Reimbursement:* The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of our Company in accordance with the rules and regulations of our Company in force from time to time or as may be approved by the Board of Directors |

*Terms of appointment of our Independent Directors*

Pursuant to resolution passed by our Board on August 12, 2024, our Independent Directors are entitled to receive a sitting fee of ₹20,000 for attending each meeting of our Board and committees constituted by our Board, respectively.

**Compensation paid to our Directors**

Details of the sitting fees or other remuneration paid to our Directors in Fiscal 2024 are set forth below.

*Remuneration to our Executive Directors*

Details of the remuneration paid to our Executive Directors in Fiscal 2024 is set forth below:

*(₹ in million)*

| Sr. No. | Name of the Executive Director | Remuneration |
|---|---|---|
| 1. | Chandra Sekhar Moturu | 3.30 |
| 2. | Ragdeep Moturu | 4.80 |
| 3. | Arundeep Moturu | 2.40 |
| 4. | Krishna Kumari Moturu | 2.40 |
| 5. | Gorrepati Sundararama Sarma | 2.99 |

*Remuneration to our Independent Directors*

No remuneration was paid to our Independent Directors in Fiscal 2024, as they were appointed in Fiscal 2025.

**Compensation paid to our Directors by our Associates**

None of our Directors are paid compensation by any of our Associates, including contingent or deferred compensation accrued for the year during Fiscal 2024.

**Bonus or profit-sharing plan for our Directors**

None of our Directors are entitled to any bonus or profit-sharing plans of our Company.

**Contingent and deferred compensation payable to our Directors**

There are no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

**Shareholding of our Directors in our Company**

Our Articles of Association do not require our Directors to hold any qualification shares.

Except as disclosed in "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 109, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

**Arrangement or understanding with major shareholders, customers, suppliers or others**

None of our directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

**Service contracts with Directors**

Our Company has not entered into any service contracts, pursuant to which any Directors are entitled to benefits upon termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, no Directors are entitled to any benefit upon termination of employment or superannuation.

**Interest of Directors**

Our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Our Directors may also be interested to the extent of Equity Shares held by them or that may be subscribed by or allotted to any 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, and to the extent of any directorships held by them in our Associates. For further details regarding the shareholding of our Directors, see "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and members of Senior Management in our Company***" on page 109.

*Interest in land and property*

We have leased our Registered and Corporate Office from ARCS, a partnership firm whose partners are our Directors and Promoters, Arundeep Moturu and Krishna Kumari Moturu. Our Company has entered into a sub-lease deed dated July 1, 2024 with ARCS, represented by its partner, our Director and Promoter, Krishna Kumari Moturu to take the property on lease for our Registered and Corporate Office on an annual rental basis. Our Company paid a rent of ₹3.29 million for Fiscal 2024 to ARCS. For further details, see "***Restated Financial Information – Note 35 – Related party transactions***" on page 332.

Except as disclosed above, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

*Interest in promotion of our Company*

Except for Chandra Sekhar Moturu, Ragdeep Moturu, Arundeep Moturu and Krishna Kumari Moturu, who are also Promoters of our Company, none of our directors have any interest in the promotion or formation of our Company, as on the date of this Draft Red Herring Prospectus.

*Loans to or by our Directors*

Except as disclosed below, no loans have been availed from or by our Directors of our Company as on the date of this Draft Red Herring Prospectus. For further details, see "***Restated Financial Information – Note 35 – Related party transactions***" on page 332.

*(₹ in million)*

| Sr. No. | Name | Designation | Nature of transaction | Amount outstanding as on September 30, 2024 |
|---|---|---|---|---|
| 1. | Chandra Sekhar Moturu | Chairman and Managing Director | Loan advanced to our Company | 2.16 |
| 2. | Ragdeep Moturu | Whole Time director | Loan advanced to our Company | 0.70 |

**Confirmations**

None of our Directors are or have been a director on the board of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure, in the five years preceding the date of this Draft Red Herring Prospectus.

None of our Directors have been or are directors on the board of any listed companies which is or has been delisted from any stock exchange(s) during his/her tenure.

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 they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Except as disclosed in the "***Restated Financial Information-– Note 35 – Related party transactions***" on page 332, there is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and our Directors.

Except as disclosed in "***- Interest in land and property***" on page 269, there is no conflict of interest between the lessor of the immovable properties (which are crucial for operations of our Company) and our Directors.

**Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

| Name of Director | Date of Change | Reasons |
|---|---|---|
| Sneha Sunkara | January 28, 2025 | Appointment as additional independent director(1) |
| Anjaneyulu Krothapalli | September 17, 2024 | Appointment as additional independent director(2) |
| Chandra Sekhar Moturu | August 25, 2024 | Appointment as Managing Director |
| Ragdeep Moturu | August 25, 2024 | Appointment as Whole Time Director |
| Arundeep Moturu | August 25, 2024 | Appointment as Executive Director |
| Krishna Kumari Moturu | August 25, 2024 | Appointment as Executive Director |
| Yalamanchili Visweswara Prasad | August 12, 2024 | Appointment as additional independent director(2) |
| Srinivas Aravapalli | August 12, 2024 | Appointment as additional independent director(2) |
| Ravinder Komaragiri | August 12, 2024 | Appointment as additional independent director(2) |
| Ravikanth Mallina | August 12, 2024 | Appointment as additional independent director(2) |
| Gorrepati Sundararama Sarma | May 5, 2023 | Appointment as Director |

*(1) Regularised as an independent Director as on January 29, 2025.*
*(2) Regularised as an Independent Director as on September 30, 2024.*

**Borrowing Powers**

Pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 and our Articles of Association, subject to applicable laws and pursuant to the resolution passed by our Board dated September 17, 2024 and the special resolution passed by our Shareholders on September 30, 2024, our Board has been authorised to borrow any sum or sums of money from time to time at their discretion for the purpose of the business of the Company, from any one or more banks, financial institutions, mutual funds and other persons, firms, bodies corporate or by way of loans or credit facilities (fund based or non-fund based) or by issue of bonds on such terms and conditions and with or without security as the Board may think fit, which together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business), may exceed the aggregate for the time being of the paid-up share capital and free reserves, that is to say reserves not set apart for any specific purpose of our Company, provided that the total amount borrowed shall not at any time exceed the limit of ₹5,000.00 million.

**Corporate Governance**

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance and undertakes to take all necessary steps to continue to comply with the corporate governance norms in relation to the composition of our Board and constitution of committees of the Borad, including the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee and the Corporate Social Responsibility Committee, by our Company and the formulation and adoption of policies, as prescribed under the SEBI Listing Regulations and Companies Act, 2013.

As on the date of this Draft Red Herring Prospectus, there are 11 Directors on our Board comprising of five Executive Directors and six Independent Directors, including one woman independent director. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In addition to the committees detailed below, our Board may, from time to time, constitute committees for various functions.

**Committees of the Board**

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee;

(iv) Risk Management Committee; and

(v) Corporate Social Responsibility Committee

***Audit Committee***

The Audit Committee was constituted by a resolution passed by our Board dated August 12, 2024 and was last reconstituted by a resolution passed by our Board dated August 21, 2024. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

| Sr. No. | Name of Director | Designation | Committee Designation |
|---|---|---|---|
| 1. | Srinivas Aravapalli | Independent Director | Chairperson |
| 2. | Krishna Kumari Moturu | Executive Director and Chief Financial Officer | Member |
| 3. | Yalamanchili Visweswara Prasad | Independent Director | Member |
| 4. | Ravikanth Mallina | Independent Director | Member |

*Terms of Reference*

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

**Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

(i) to investigate any activity within its terms of reference;

(ii) to seek information from any employee;

(iii) to obtain outside legal or other professional advice;

(iv) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(v) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

**Role of Audit Committee**

The role of the Audit Committee shall include the following:

(i) oversight of financial reporting process and the disclosure of financial information relating to Ardee Engineering Limited to ensure that the financial statements are correct, sufficient and credible;

(ii) recommendation to the Board of the Company for appointment, re-appointment, replacement, remuneration and other terms of appointment of statutory auditors of the Company and the fixation of the audit fee;

(iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) examining and reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:

   a. matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

   b. changes, if any, in accounting policies and practices and reasons for the same;

   c. major accounting entries involving estimates based on the exercise of judgment by management;

   d. significant adjustments made in the financial statements arising out of audit findings;

   e. compliance with listing and other legal requirements relating to financial statements;

   f. disclosure of any related party transactions; and

   g. modified opinion(s) in the draft audit report.

(v) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(vi) 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.

(vii) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(viii) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed, by the independent directors who are members of the Audit Committee;

   a. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;

   b. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;

c. Review of transactions pursuant to omnibus approval; and

d. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.

***Explanation:*** *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(ix) scrutiny of inter-corporate loans and investments;

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) evaluation of internal financial controls and risk management systems;

(xii) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(xiii) 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;

(xiv) discussion with internal auditors of any significant findings and follow-up thereon;

(xv) 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;

(xvi) 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;

(xvii) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) reviewing the functioning of the whistle blower mechanism;

(xix) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(xx) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(xxi) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;

(xxii) review the financial statements, in particular, the investments made by any unlisted subsidiary;

(xxiii) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(xxiv) approving the key performance indicators ("KPIs") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

(xxv) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was constituted by a resolution passed by our Board dated August 12, 2024. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

| Sr. No. | Name of Director | Designation | Committee Designation |
|---|---|---|---|
| 1. | Srinivas Aravapalli | Independent Director | Chairperson |
| 2. | Ravinder Komaragiri | Independent Director | Member |
| 3. | Ravikanth Mallina | Independent Director | Member |

***Terms of Reference***

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of the Company, a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

(ii) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

(iii) Formulation of criteria for evaluation of performance of independent directors and the Board;

(iv) Devising a policy on Board diversity;

(v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(vi) Analysing, monitoring and reviewing various human resource and compensation matters;

(vii) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(viii) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(ix) recommend to the board, all remuneration, in whatever form, payable to senior management;

(x) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(xi) The Nomination and Remuneration Committee, while formulating the Remuneration 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 and long term performance objectives appropriate to the working of the Company and its goals.

(xii) Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

   a. administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "**Plan**");

   b. determining the eligibility of employees to participate under the Plan;

   c. granting options to eligible employees and determining the date of grant;

   d. determining the number of options to be granted to an employee;

   e. determining the exercise price under the Plan; and

   f. construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

(xiii) Carrying out any other activities as may be delegated by the Board of Directors of the Company, functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated August 12, 2024. The composition and terms of reference of the Stakeholders' Relationship Committee are in compliance with Section 178 and any other applicable law of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The committee currently comprises:

| Sr. No. | Name of Director | Designation | Committee Designation |
|---|---|---|---|
| 1. | Ravikanth Mallina | Independent Director | Chairperson |
| 2. | Yalamanchili Visweswara Prasad | Independent Director | Member |
| 3. | Ravinder Komaragiri | Independent Director | Member |

***Terms of Reference***

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

(i) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;

(ii) resolving the grievances of the security holders of the listed entity 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.;

(iii) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;

(iv) review of measures taken for effective exercise of voting rights by shareholders;

(v) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent;

(vi) review of the various measures and initiatives taken by the listed entity 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

(vii) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

***Risk Management Committee***

The Risk Management Committee was constituted by a resolution passed by our Board dated August 21, 2024. The composition and terms of reference of the Risk Management Committee are in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

| Sr. No. | Name of Director | Designation | Committee Designation |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | Chairman and Managing Director | Chairperson |
| 2. | Ragdeep Moturu | Whole Time Director | Member |
| 3. | Arundeep Moturu | Executive Director | Member |
| 4. | Yalamanchili Visweswara Prasad | Independent Director | Member |

***Terms of Reference***

The Risk Management Committee shall be responsible for, among other things, the following:

(i) Review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, 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, environment, social and governance 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;

(ii) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

(v) Keep the Board of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

(vii) To implement and monitor policies and/or processes for ensuring cyber security;

(viii) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and

(ix) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated August 12, 2024. The composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

| Sr. No. | Name of Director | Designation | Committee Designation |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | Chairman and Managing Director | Chairperson |
| 2. | Ragdeep Moturu | Whole Time Director | Member |
| 3. | Yalamanchili Visweswara Prasad | Independent Director | Member |
| 4. | Srinivas Aravapalli | Independent Director | Member |

***Terms of Reference***

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

(i) 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, and the rules made thereunder, each as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(ii) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(iii) monitor the Corporate Social Responsibility Policy of the Company from time to time;

(iv) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(v) the Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

a) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

b) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act, 2013;

c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

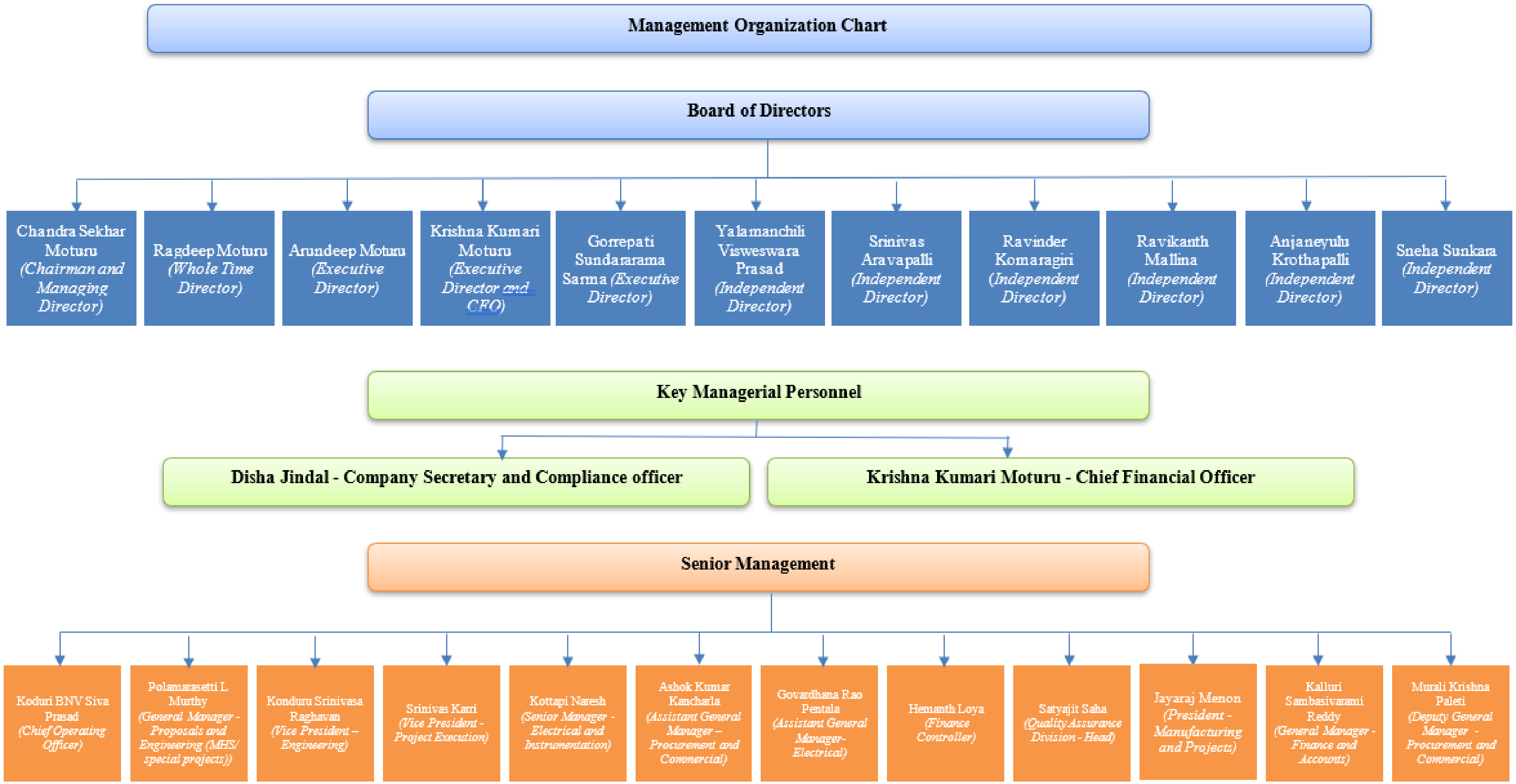
d) monitoring and reporting mechanism for the projects or programmes; and

e) details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect; and

(vi) 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 and Senior Management

*Key Managerial Personnel*

In addition to our Chairman and Managing Director, Chandra Sekhar Moturu, our Whole Time Director, Ragdeep Moturu and our Executive Directors, Arundeep Moturu, Gorrepati Sundararama Sarma and Krishna Kumari Moturu, who is also the Chief Financial Officer of our Company, whose details are provided in "- ***Brief Profiles of our Directors***" on page 261, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

**Disha Jindal** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since May 9, 2024 and was appointed as Company Secretary with effect from June 5, 2024. She holds a bachelor's degree in commerce from Panjab University and is a member of the Institute of Company Secretaries of India. She is responsible for the secretarial and compliance related functions of our Company. She has more than 3 years of experience in company secretary roles, and was previously associated with Pokarna Limited, Sanvira Industries Limited and Nahar Poly Films Limited. No remuneration was paid in Fiscal 2024, as she was appointed in Fiscal 2025.

*Senior Management*

In addition to our Chief Financial Officer, Krishna Kumari Moturu and Company Secretary and Compliance Officer Disha Jindal, whose details are provided in "- ***Brief Profiles of our Directors***" on page 261 and "***- Key Managerial Personnel***" on page 277, respectively, the details of our other Senior Management as on the date of this Draft Red Herring Prospectus are set forth below.

**Koduri BNV Siva Prasad** is the Chief Operating Officer of our Company. He has been associated with our Company since August 1, 2022. He holds a bachelor's degree in engineering (mechanical engineering) from Anna University. He is responsible for the sales and marketing of pre-engineered steel building and developing statement of purposes for PEB team of our Company. He has more than 5 years of experience in marketing related roles and was previously associated with Kartikeya Industries Private Limited as senior manager - marketing and Hillock Infrastructure (OPC) Private Limited as manager- projects and marketing. In Fiscal 2024, he received an aggregate compensation of ₹0.92 million.

**Polamarasetti L Murty** is the General Manager- Proposals and Engineering (MHS/ special projects) of our Company. He has been associated with our Company since June 24, 2021. He holds a bachelor's degree in technology (mechanical engineering) from Berhampur University. He is responsible for the management and finalization of the orders, customer management and material handling functions of our Company. He has more than 10 years of experience in design related roles and was previously associated with Macmet Engineering Limited. In Fiscal 2024, he received an aggregate compensation of ₹2.11 million.

**Konduru Srinivasa Raghavan** is the Vice President- Engineering of our Company. He has been associated with our Company since March 1, 2021. He holds a provisional certificate for bachelor's degree in technology (mechanical engineering) from Sri Venkateswara University. He is responsible for the material handling, cost reduction over technical specification and for improvement in design and drawing related functions of our Company. He has more than 8 years of experience in design related roles and was previously associated with BGR Energy Systems Limited as assistant vice president - CHP design. In Fiscal 2024, he received an aggregate compensation of ₹2.97 million.

**Srinivas Karri** is the Vice President- Project Execution of our Company. He has been associated with our Company since March 4, 2024. He holds a bachelor's degree in technology (civil engineering) from Janardan Rai Nagar Rajasthan Vidyapeeth University, Rajasthan. He is responsible for the project coordination, project management and client communication related functions of our Company. He has more than 7 years of experience in project management roles and was previously associated with Essar Projects (PNG) Limited as project director and Essar Steel Limited as an advisor. In Fiscal 2024, he received an aggregate compensation of ₹0.11 million.

**Kottapi Naresh** is the Senior Manager- Electrical and Instrumentation of our Company. He has been associated with our Company since October 1, 2021. He holds a bachelor's degree in technology (electronics and instrumentation engineering) from Acharya Nagarjuna University. He is responsible for managing electrical and instrumentation system of various projects of our Company. He has more than 16 years of experience in engineering and automation related roles and was previously associated with Bevcon Wayors Private Limited. In Fiscal 2024, he received an aggregate compensation of ₹1.58 million.

**Ashok Kumar Kancharla** is the Assistant General Manager- Procurement and Commercial of our Company. He has been associated with our Company since November 19, 2021. He holds a provisional certificate for bachelor's degree in engineering (mechanical) from Sri Chandrasekharendra Saraswathi Viswa Mahavidyalaya (Deemed University) and a provisional certificate for master's degree in business administration (marketing) from Pondicherry University. He is responsible for sourcing and procurement of the material for the projects of our Company. He has more than 8 years of experience in procurement roles and was previously associated with Kirby Building Systems and Structures India Private Limited as manager (purchase), Era Power (India) Private Limited as assistant manager purchase and GVK Technical and Consultancy Services Private Limited as manager (materials). In Fiscal 2024, he received an aggregate compensation of ₹1.82 million.

**Govardhana Rao Pentala** is the Assistant General Manager- Electrical of our Company. He has been associated with the erstwhile partnership firm and our Company since June 8, 2018. He holds a bachelor's degree in engineering (electrical and electronics engineering) from University of Madras. He is responsible for the installation, testing and commissioning of electrical substations equipment of the projects of our Company. He has more than 10 years of experience in electrical engineering related roles and was previously associated with Navayuga Engineering Company Limited as assistant manager (electrical), Surya International as senior electrical engineer and Vijayalakshmi Constructions as technical and site engineer. In Fiscal 2024, he received an aggregate compensation of ₹1.45 million.

**Hemanth Loya** is the Finance Controller of our Company. He has been associated with our Company since October 3, 2024. He holds a bachelor's degree in commerce from Osmania University and is he is also a qualified chartered accountant holding a membership with the Institute of Chartered Accountants of India. He is responsible to oversee the financial planning and reporting functions and assist in conduct and closure of statutory audits and internal audit of our Company. He has more than 6 years of experience in finance roles, and was previously associated with MSKA & Associates, Chartered Accountants as manager in audit and assurance department and Deloitte Haskins and Sells as assistant manager in audit and assurance function. Since he joined our Company in Fiscal 2025, he has not been paid any remuneration from our Company for Fiscal 2024.

**Satyajit Saha** is the Qualitative Assurance Division - Head of our Company. He has been associated with our Company since January 20, 2024. He holds a bachelor's degree in engineering (mechanical) from University of North Bengal. He is responsible for the finalisation of inspection modalities and quality assurance related functions of our Company. He has more than 13 years of experience in managerial roles and was previously associated with Tata Consulting Engineers Limited as general manager. In Fiscal 2024, he received an aggregate compensation of ₹0.24 million.

**Jayaraj Menon** is the President - Manufacturing and Projects of our Company. He has been associated with our Company since August 5, 2024. He holds a bachelor's degree in technology (mechanical) from Government Engineering College, Thrissur. He is responsible for the project management, quality management and construction management functions of our Company. He has approximately 3 years of experience in operations related roles and was previously associated with Volta Green Structures Private Limited as vice president - operations. Since he joined our Company in Fiscal 2025, he has not been paid any remuneration from our Company for Fiscal 2024.

**Kalluri Sambasivarami Reddy** is the General Manager - Finance and Accounts of our Company. He has been associated with our Company since June 18, 2020. He holds a bachelor's degree in arts from Sri Venkateswara University and a master's degree in financial management from Pondicherry University. He has also passed the intermediate examination conducted by the Cost and Works Accountants of India. He is responsible for dealing with banks and financial institutions for availing and renewal of the loan facilities and other finance related functions of our Company. He has more than 13 years of experience in finance and accounts related roles and was previously associated with Vishwa Samudra Engineering Private Limited as general manager in finance department, NCC Limited as senior manager (accounts), Maytas Infra Limited as deputy manager- accounts and IJM- SCL joint venture as assistant manager (finance and accounts). In Fiscal 2024, he received an aggregate compensation of ₹2.32 million.

**Murali Krishna Paleti** is the Deputy General Manager- Procurement and Commercial of our Company. He has been associated with the erstwhile partnership firm and our Company since May 19, 2011. He holds a bachelor's degree in commerce from Andhra University. He is responsible for the raw material handling related functions of our Company. He has more than 13 years of experience in procurement roles, and was previously associated with Mishra Dhatu Nigam Limited, Hyderabad as executive grade-I, purchase department. In Fiscal 2024, he received an aggregate compensation of ₹0.94 million.

**Status of Key Managerial Personnel and Senior Management**

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

**Relationship among Key Managerial Personnel and Senior Management**

Except as disclosed in " - ***Relationship between our Directors***" on page 264, none of our Key Managerial Personnel and Senior Management are related to each other or to the Directors of our Company.

**Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management are entitled to any bonus or profit-sharing plans of our Company.

**Loans to Key Managerial Personnel and Senior Management**

Except as disclosed below in " ***- Interest of Directors - Loans to Directors***", no loans have been availed by our Key Managerial Personnel and Senior Management from our Company as on the date of this Draft Red Herring Prospectus.

**Shareholding of Key Managerial Personnel and Senior Management in our Company**

Except as disclosed in "***Capital Structure - Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 109, none of our Key Managerial Personnel or Senior Management, hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

**Service Contracts with Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

**Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management**

There is no contingent or deferred compensation payable to Key Managerial Personnel and Senior Management in Fiscal 2024, which does not form a part of their remuneration.

**Arrangements and understanding with major shareholders, customers, suppliers or others**

None of the Key Managerial Personnel or Senior Management of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

**Interest of Key Managerial Personnel and Senior Management**

Other than as disclosed in " - ***Interest of Directors***" on page 269, above, the Key Managerial Personnel and Senior Management of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as disclosed in the "***Restated Financial Information-– Note 35 – Related party transactions***" on page 332, there is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and our Key Managerial Personnel or Senior Management.

Except as disclosed in " - ***Interest of Directors***" on page 269, there is no conflict of interest between the lessor of the immovable properties (which are crucial for operations of our Company) and our Key Managerial Personnel or Senior Management.

**Changes in Key Managerial Personnel or Senior Management during the last three years**

Except as disclosed below and in " ***– Changes in our Board during the last three years***" above, there are no other changes in our Key Managerial Personnel and Senior Management in the three years immediately preceding years the date of this Draft Red Herring Prospectus:

| Name | Date of change | Reason for change |
|---|---|---|
| Disha Jindal | October 23, 2024 | Appointed as Compliance Officer |
| Hemanth Loya | October 3, 2024 | Appointed as Finance Controller |
| Krishna Kumari Moturu | August 25, 2024 | Appointed as Chief Financial Officer |
| Jayaraj Menon | August 5, 2024 | Appointed as President- Manufacturing and Projects |
| Disha Jindal | June 5, 2024 | Appointed as Company Secretary |
| Raveendragouda Geedigoudra | June 1, 2024 | Resigned as company secretary |
| Srinivas Karri | March 4, 2024 | Appointed as Vice President- Project Execution |
| Satyajit Saha | January 20, 2024 | Appointed as Qualitative Assurance Division - Head - Head |
| Polamarasetti L Murty | January 1, 2024 | Change in designation from Assistant General Manager – Proposals and Engineering (MHS/ special projects) to General Manager - Proposals and Engineering (MHS/ special projects) |
| Koduri BNV Siva Prasad | September 1, 2023 | Change in designation from Business Head – PEB to Chief Operating Officer |
| Govardhana Rao Pentala | June 1, 2023 | Change in designation from Deputy Project Manager to Assistant General Manager- Electrical |
| Gorrepati Sundararama Sarma | March 31, 2023 | Redesignated from chief operating officer to Director |
| Koduri BNV Siva Prasad | August 1, 2022 | Appointed as Business Head - PEB |

The attrition of the Key Managerial Personnel and Senior Management of our Company is not high compared to the industry.

**Employee stock option and stock purchase schemes**

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock options scheme or stock appreciation rights.

**Payment or Benefit to Key Managerial Personnel and Senior Management of our Company**

Except as disclosed in " - ***Terms of appointment of Directors***" on page 265, no non-salary related amount or benefit has been paid or given to any of our Company's officers including our Directors, Key Managerial Personnel and Senior Management within the two preceding years of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

As on the date of this Draft Red Herring Prospectus, Chandra Sekhar Moturu, Ragdeep Moturu, Arundeep Moturu and Krishna Kumari Moturu are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

| Sr. No. | Name of the Promoter | No. of Equity Shares held of face value of ₹5 each | % of pre-Offer issued, subscribed and paid-up Equity Share capital |
|---|---|---|---|
| 1. | Chandra Sekhar Moturu | 35,999,900 | 89.99 |
| 2. | Ragdeep Moturu | 4,000,000 | 10.00 |
| 3. | Arundeep Moturu | 20 | Negligible |
| 4. | Krishna Kumari Moturu | 20 | Negligible |
| | **Total** | **39,999,940** | **100.00%** |

For details of the build-up of the Promoters' shareholding in our Company, please refer to "***Capital Structure – Shareholding of our Promoters and members of our Promoter Group***", on page 109.

### Details of our Promoter are as follows:

**Chandra Sekhar Moturu**, aged 63 years, is the Promoter, Chairman and Managing Director of our Company.

*Date of Birth:* July 21, 1961

*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India

*Permanent Account Number:* ADMPM6920G

For complete profile of Chandra Sekhar Moturu with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please see "***Our Management – Board of Directors – Brief profiles of our Directors***" on page 261.

**Ragdeep Moturu**, aged 35 years, is the Promoter and Whole-Time Director of our Company.

*Date of Birth:* July 23, 1989

*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India

*Permanent Account Number:* AUIPM0399Q

For complete profile of Ragdeep Moturu with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please see "***Our Management – Board of Directors – Brief profiles of our Directors***" on page 261.

**Arundeep Moturu**, aged 31 years, is the Promoter and Executive Director of our Company.

*Date of Birth:* July 11, 1993

*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India

*Permanent Account Number:* DCFPM0270J

For complete profile of Arundeep Moturu with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please see "***Our Management – Board of Directors – Brief profiles of our Directors***" on page 261.

**Krishna Kumari Moturu**, aged 34 years, is the Promoter, Executive Director and Chief Financial Officer of our Company.

*Date of Birth:* April 18, 1990

*Address:* 8-2-326/4/M, Road No-3, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India

*Permanent Account Number:* ASTPD2601F

For complete profile of Krishna Kumari Moturu with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please see "***Our Management – Board of Directors – Brief profiles of our Directors***" on page 261.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhaar card number and driving license number of our Promoters will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

**Change in Control of our Company**

Chandra Sekhar Moturu and Ragdeep Moturu are the original promoters of our Company since incorporation. While there has been no change in control of our Company since incorporation as on the date of this Draft Red Herring Prospectus, Arundeep Moturu and Krishna Kumari Moturu, pursuant to the Board resolution dated September 17, 2024, have been identified as Promoters of our Company, in addition to Chandra Sekhar Moturu and Ragdeep Moturu. For more details, please see "***Capital Structure – Notes to capital structure- Equity share capital history of our Company***" on page 101.

**Interests of Promoters**

Our Promoters are interested in our Company: (i) to the extent that they have promoted our Company; (ii) to the extent of their direct or indirect shareholding in our Company; (iii) the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company, if any; and (iv) their directorships in our Company. For further details, see "***Capital Structure – Notes to the Capital Structure - History of the share capital held by our Promoters***" on page 103. Additionally, our Promoters may be interested in transactions entered by our Company with them, their relatives, or other entities (i) in which our Promoters hold shares, directly or indirectly or (ii) which are controlled by our Promoters.

Further our Promoters may be deemed to be interested in the remuneration paid/ payable to them, benefits and the reimbursement of expenses payable to them as Directors of our Company. For further details, see "***Our Management - Terms of appointment of Directors***" on page 265.

Additionally, our Promoters may be deemed to be interested to the extent of loans and interest thereon, which have been availed from or by our Promoters of our Company as on the date of this Draft Red Herring Prospectus. For further details, see "***Restated Financial Information – Note 35 – Related party transactions***" and "***Our Management – Interest of our Directors***" on pages 332 and 269, respectively.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify him, as a Director or Promoter or otherwise for services rendered by our Promoter, or by such firm or company, in connection with the promotion or formation of our Company.

All our Promoters, Chandra Sekhar Moturu, Ragdeep Moturu, Arundeep Moturu and Krishna Kumari Moturu are related to each other. For further details, see "***Our Management - Relationship between our Directors, Key Managerial personnel and Senior Management***" on page 264.

*Interest in property, land, construction of building and supply of machinery*

We have leased our Registered and Corporate Office from ARCS, a partnership firm whose partners are our Directors and Promoters, Arundeep Moturu and Krishna Kumari Moturu. Our Company has entered into a lease deed dated July 1, 2024 with ARCS, represented by its partner, our Director and Promoter, Krishna Kumari Moturu to take our Registered and Corporate Office on sub-lease. Our Company paid a rent of ₹3.29 million for Fiscal 2024 to ARCS, see "***Restated Financial Information – Note 35 – Related party transactions***" and " ***- Interest of Key Managerial Personnel and Senior Management***" on pages 332 and 279.

Except as disclosed above, our Promoters do not have any interest in any property acquired by our Company in the three years preceding from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Except as disclosed in " ***- Interest in property, land, construction of building and supply of machinery***" above, there is no conflict of interest between the lessors of immovable properties (crucial for operations of our Company) and our Promoters and members of our Promoter Group.

Except as disclosed in the "***Restated Financial Information-– Note 35 – Related party transactions***" on page 332, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Promoters and members of our Promoter Group.

*Payment or benefits to Promoter or Promoter Group*

Except in ordinary course of business and as disclosed in "***Our Management – Terms of appointment of Directors***" and "***Restated Financial Information – Note 35 – Related party transactions***" on pages 265 and 332, respectively, there has been no payment or benefits by our Company to our Promoters or any of the members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group as on the date of this Draft Red Herring Prospectus.

*Experience in the business of the Company*

Our Promoters have adequate experience in the line of business of our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the section titled "***Our Management - Brief profiles of our Directors***" on page 261.

*Companies or firms with which our Promoter have disassociated in the last three years*

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus.

| Name of the Promoter | Name of the company or firm from which the Promoters have disassociated | Reasons for and circumstances leading to disassociation | Date of disassociation |
|---|---|---|---|
| Chandra Sekhar Moturu | OTS Office Systems Private Limited | Disassociation as a director and a shareholder to focus more on the operations of our Company | August 5, 2024 |
| | Kikabila Crafts Private Limited | Disassociation as a director to focus more on the operations of our Company | March 28, 2022 |

*Material guarantees*

Except as disclosed in "***Capital Structure - Build-up of Promoter Group shareholding in our Company***" on page 104, none of our Promoters have given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoter**

As on date of this Draft Red Herring Prospectus, our Promoters have been involved in other ventures. Our Associates are in the similar line of activities or business as that of our Company. Our Promoters will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise. For further details, see "***Our Associates***" on page 259.

**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 natural persons who are part of our Promoter Group are as follows:

| Name of the Promoter | Name of member of Promoter Group | Relationship with our Individual Promoters |
|---|---|---|
| **Chandra Sekhar Moturu** | Moturu Padmini Devi | Mother |
| | Sailaja Moturu | Spouse |
| | Ragdeep Moturu | Son |
| | Arundeep Moturu | Son |
| | Rama Nimmagadda | Sister |
| | Bhanumathi Chintha | Spouse's mother |
| | Chinta Ravi Kumar | Spouse's brother |
| | Gunnam Madhavi | Spouse's sister |
| **Ragdeep Moturu** | Chandra Sekhar Moturu | Father |
| | Sailaja Moturu | Mother |
| | Krishna Kumari Moturu | Spouse |
| | Rishin Moturu (minor) | Son |
| | Arundeep Moturu | Brother |
| | Ramesh Doddapaneni | Spouse's father |
| | Neeraja Ravi | Spouse's mother |
| | Doddapaneni Rajya Lakshmi | Spouse's sister |
| **Arundeep Moturu** | Chandra Sekhar Moturu | Father |
| | Sailaja Moturu | Mother |
| | Pallavi Vasireddi | Spouse |
| | Ragdeep Moturu | Brother |
| | Vasireddi Balachander | Spouse's father |
| | Lakshmi Vasireddi | Spouse's mother |
| | Karan Chand Vasireddi | Spouse's brother |
| | Gautam Srinivas Vasireddi | Spouse's brother |
| **Krishna Kumari Moturu** | Ramesh Doddapaneni | Father |
| | Neeraja Ravi | Mother |
| | Ragdeep Moturu | Spouse |
| | Rishin Moturu (minor) | Son |
| | Rajya Lakshmi Doddapaneni | Sister |

| Name of the Promoter | Name of member of Promoter Group | Relationship with our Individual Promoters |
|---|---|---|
| | Chandra Sekhar Moturu | Spouse's father |
| | Sailaja Moturu | Spouse's mother |
| | Arundeep Moturu | Spouse's brother |

*Entities forming part of our Promoter Group*

The entities forming part of our Promoter Group are as follows:

(i) ACS Engineering Solutions

(ii) Aitas Tech Labs Private Limited

(iii) Arch Logistics Private Limited

(iv) ARCS

(v) Ardee Drives Private Limited

(vi) Arovan Logistics

(vii) Arun Computers

(viii) Arun Infotech

(ix) Arun Kapital Networks

(x) Rotec Transmissions Private Limited

# DIVIDEND POLICY

The dividend distribution policy of our Company was approved and adopted by our Board on August 12, 2024 (“**Dividend Policy**”). In terms of the 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, subject to the provisions of the Companies Act, 2013 and applicable laws, each as amended.

Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and will depend on a number of factors, including but not limited to, (i) financial parameters including projections of future profits and cash flows, borrowing levels and the capacity to borrow including repayment commitments, present and future capital expenditure plans of the Company including organic/inorganic growth avenues; and (ii) internal and external factors such as cash flows, cost of borrowings, macroeconomic conditions, taxation and other regulatory concerns, past performance/ dividend history and reputation of our Company. For details in relation to risks involved in this regard, see “***Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure***” on page 71.

Our Company has not declared and paid any dividend on the Equity Shares in the last three Fiscals, the six months ended September 30, 2024 and the period from October 1, 2024 until the date of this Draft Red Herring Prospectus.

## SECTION V – FINANCIAL INFORMATION

## RESTATED FINANCIAL INFORMATION

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**Examination Report of Independent Auditors' on the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024 and March 31, 2024, 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 six months period ended September 30, 2024 and for the year ended March 31, 2024; and the Restated Standalone Statement of Assets and Liabilities as at March 31, 2023 and March 31, 2022, Restated Standalone Statement of Profit and Loss (including Other Comprehensive Income), Restated Standalone Statement of Changes in Equity and Restated Standalone Statement of Cash Flows for each of the years ended March 31, 2023 and March 31, 2022 along with the Statement of Material Accounting Policies and other explanatory information of Ardee Engineering Limited (herein after collectively, the "Restated Financial Information")**

The Board of Directors
**Ardee Engineering Limited**
8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills, Hyderabad,
Telangana – 500 034.

Dear Sirs/ Madams,

1. We, M S K C & Associates LLP (*Formerly known as M S K C & Associates*), Chartered Accountants and C. Venkat Krishna & Co, Chartered Accountants (both together referred to as "we" or "us" or "our" or "Firms"), have examined the Restated Financial Information of Ardee Engineering Limited (formerly known as a Ardee Engineering Private Limited) (the "**Company**" or the "**Issuer**") and its associate which comprises of Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024 and March 31, 2024, 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 six months period ended September 30, 2024 and for the year ended March 31, 2024; and the Restated Standalone Statement of Assets and Liabilities as at March 31, 2023 and March 31, 2022, Restated Standalone Statement of Profit and Loss (including Other Comprehensive Income), Restated Standalone Statement of Changes in Equity and Restated Standalone Statement of Cash Flows for each of the years ended March 31, 2023 and March 31, 2022 along with the Statement of Material Accounting Policies and other explanatory information (collectively referred to as the "**Restated Financial Information**"), prepared by the Company in connection with its proposed Initial Public Offer ("**IPO**" or "**Offer**"). The Restated Financial Information have been approved by the Board of Directors of the Company (the "**Board of Directors**") at their meeting held on March 17, 2025 and annexed to this examination report for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") and have been 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**");

   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**"); and

   d) Email dated October 28, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("**SEBI Communication**").

**Management's Responsibility for the Restated Financial Information**

2. The Company's Board of Directors are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the DRHP to be filed with SEBI, BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, "**the Stock Exchanges**") in connection with the Offer. The Restated Financial Information has been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1(a) to Annexure V of the Restated Financial Information. The respective Board of Directors of the Company and its associate are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Restated Financial Information. The respective Board of Directors of the Company and its associate are also responsible for identifying and ensuring that the Company and its associate comply with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication, to the extent applicable.

**Auditor's Responsibilities**

3. We have jointly examined the Restated 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 October 25, 2024, in connection with the proposed Offer.

   b) The Guidance Note 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 Financial Information; and

   d) The requirements of Section 26 of the Act, the SEBI ICDR Regulations and SEBI Communication.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication in connection with the Offer.

**Restated Financial Information**

4. The Restated Financial Information have been compiled by the management of the Company from:

   a) Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Company and its associate as at and for the six months period ended September 30, 2024, prepared in accordance with the basis of preparation as described in Note 2.1(a) of Annexure V to the Restated Financial Information (the "September 2024 Special Purpose Interim Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on March 17, 2025; and

   b) Audited Consolidated Ind AS Financial Statements of the Company and its associate as at and for the year ended March 31, 2024, 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, and other accounting principles generally accepted in India ("2024 Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 17, 2024; and

c) Audited Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2023 prepared by the Management in accordance with the basis of preparation, as set out in Note 2.1(a) of Annexure V to the Restated Financial Information ("2023 Special Purpose Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 17, 2024; and

d) Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2022 prepared by the Management of the Company in accordance with the basis of preparation, as set out in Note 2.1(a) of Annexure V to the Restated Financial Information ("2022 Special Purpose Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 17, 2024.

The 2023 Special Purpose Ind AS Financial Statements and 2022 Special Purpose Financial Statements referred to in Para 4(c) and 4(d) above have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exemptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2022) and as per the presentation, accounting policies and grouping/classifications including Revised Schedule III disclosures followed as at for the six months period ended September 30, 2024, in accordance with Ind AS, pursuant to the SEBI Communication.

5. For the purpose of our examination, we have relied on:

a) Auditors' report jointly issued by us dated March 17, 2025, on the September 2024 Special Purpose Interim Consolidated Ind AS Financial Statements of the Company and its associate as at and for the six months period ended September 30, 2024 as referred in Para 4 (a) above;

b) Auditors' report jointly issued by us dated September 17, 2024, on the 2024 Consolidated Ind AS Financial Statements of the Company and its associate as at and for the year ended March 31, 2024 as referred in Para 4 (b) above;

c) Auditor's report issued by one of the Joint Auditors - C. Venkat Krishna & Co, dated September 17, 2024, on the 2023 Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2023, as referred in Para 4 (c) above.

d) Auditor's report issued by one of the Joint Auditors - C. Venkat Krishna & Co, dated September 17, 2024, on the 2022 Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2022, as referred in Para 4 (d) above.

e) Examination report dated March 17, 2025 on the Restated Standalone Statement of Assets and Liabilities as at March 31, 2023 and March 31, 2022 and the Restated Standalone Statement of Profit and Loss (including Other Comprehensive Income), Restated Standalone Statement of Changes in Equity, Restated Standalone Statement of Cash Flows, the Statement of Material Accounting Policies and other explanatory information for each of the years ended March 31, 2023 and March 31, 2022 ("2023 and 2022 Restated Standalone Financial Information") has been issued by the other Joint Auditors – C. Venkat Krishna & Co, Chartered Accountants. Our examination report insofar as it relates to the said years is based solely on the report submitted by the other Joint Auditors – C. Venkat Krishna & Co, Chartered Accountants. They have also confirmed that the 2023 and 2022 Restated Standalone Financial Information:

i) 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 and March 31,2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2024 as more fully described in Note 2.1(a) of Annexure V to the Restated Financial Information.

ii) There are no qualifications in the auditor's report on the 2023 Special Purpose Ind AS Financial Statements for the year ended March 31, 2023 and 2022 Special Purpose Financial Statements for the year ended March 31, 2022 of the Company which require any adjustments to the 2023 and 2022 Restated Standalone Financial Information. There are

Emphasis of Matter and Other Matters (refer paragraph 6(C) and 6(D) below) which do not require any adjustment to the Restated Financial Information; and

iii) 2023 and 2022 Restated Standalone Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.

6. A. Our Special Purpose Audit Report referred to in Para 5 (a) above included the following matters which did not require any adjustment in the Restated Financial Information:

**Emphasis of Matter - Basis of preparation and Restriction on Distribution and Use**

We draw attention to Note 2.1(a) to the Special Purpose Interim Consolidated Ind AS Financial Statements which describes the purpose and basis of preparation of the Special Purpose Interim Consolidated Ind AS Financial Statements. These Special Purpose Interim Consolidated Ind AS Financial Statements have been prepared by the Management solely for the purpose of preparation of the Restated Consolidated Financial Information of the Company and its associate for the six months period ended September 30, 2024, to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus and Prospectus (collectively referred to as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Hyderabad ('Registrar of Companies') as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per the requirements of Section 26 of Part I of Chapter III of the Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "SEBI ICDR Regulations") and to comply with the e-mail dated 28 October, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note") issued by the ICAI. As a result, these Special Purpose Interim Consolidated Ind AS Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. M S K C & Associates LLP & C Venkat Krishna & Co. shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of above matter.

**Other Matters:**

- The Special Purpose Interim Consolidated Ind AS Financial Statements for the six months period ended September 30, 2024 have been prepared by the Management in accordance with the basis of preparation stated in Note 2.1(a) to the Special Purpose Interim Consolidated Ind AS Financial Statements solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Interim Consolidated Ind AS Financial Statements.

- The Special Purpose Interim Consolidated Ind AS Financial Statements also include the Company's share of net profit of Rs. 5.24 million for the six months period ended September 30, 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the Special Purpose Interim Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor.

  Our opinion is not modified in respect of the above matters.

B. Our audit report referred to in Para 5 (b) above included the following matters which did not require any adjustment in the Restated Financial Information:

**Report on Other Legal and Regulatory Requirements paragraphs:**
**Reporting on Audit Trail**

i(a) The Company has upgraded its accounting software on April 14, 2023 to a new version of accounting software from an earlier version of the accounting software that it operated for maintaining its books of account during the year ended March 31, 2024. Based on our examination, we are unable to comment whether the earlier version of the accounting software had a feature of recording audit trail (edit log) facility and whether it was enabled therein. However, the upgraded Edit log version of software has a feature of recording audit trail (edit log) facility, which was enabled in the accounting software and the same has been operated throughout the period from April 14, 2023 to March 31, 2024. Further, we did not come across any instance of the audit trail feature being tampered with, post upgradation of the accounting software.

i(b). In respect of an associate, on consideration of the auditor report issued by the other auditor the Company has used an accounting software for maintaining their books of accounts for the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. Further, as reported by the other auditor, there are no instances of audit trail feature being tampered with.

**Other Matter:**

The consolidated financial statements also include the Company's share of net profit (including total other comprehensive income) of Rs. 1.41 million for the period June 15, 2023 to March 31, 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

C. Other Joint Auditor's report for the year ended March 31,2023, referred to in Para 5 (c) above included the following matters which did not require any adjustment in the Restated Financial Information:

**Emphasis of Matter - Basis of Preparation and Restriction on Distribution and Use**

We draw attention to Note 2.1(a) to the Special Purpose Standalone Ind AS Financial Statements which describes the purpose and basis of preparation of the Special Purpose Standalone Ind AS Financial Statements. These Special Purpose Standalone Ind AS Financial Statements have been prepared by the Management solely for the purpose of preparation of the Restated Standalone Financial Information of the Company for the year ended March 31, 2023, to be included in the Draft Red Hearing Prospectus ("DRHP"), Red Herring Prospectus and Prospectus (collectively referred to as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Hyderabad ('Registrar of Companies') as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per the requirements of Section 26 of Part I of Chapter III of the Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "SEBI ICDR Regulations") and to comply with the e-mail dated 28 October, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note") issued by the ICAI. As a result, these Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. C Venkat Krishna & Co. shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of above matter.

**Other Matters**

The Company has prepared a separate set of general purpose financial statements for the year ended March 31, 2023 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which we have issued our auditor's report dated September 6, 2023 and expressed an unmodified opinion on those financial statements.

The Special Purpose Standalone Ind AS Financial Statements for the year ended March 31, 2023 have been prepared by the Management in accordance with the basis of preparation stated in Note 2.1(a) to the Special Purpose Standalone Ind AS Financial Statements solely for the purpose of preparation of Restated Standalone Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Standalone Ind AS Financial Statements.

Our Opinion is not modified in respect of above matters.

D. Other Joint Auditor's report for the year ended March 31,2022, referred to in Para 5 (d) above included the following matters which did not require any adjustment in the Restated Financial Information:

**Emphasis of Matter - Basis of Preparation and Restriction on Distribution and Use**

We draw attention to Note 2.1(a) to the Special Purpose Standalone Financial Statements which describes the purpose and basis of preparation of the Special Purpose Standalone Financial Statements. These Special Purpose Standalone Financial Statements have been prepared by the Management solely for the purpose of preparation of the Restated Standalone Financial Information of the Company for the year ended March 31, 2022, to be included in the Draft Red Hearing Prospectus ("DRHP"), Red Herring Prospectus and Prospectus (collectively referred to as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Hyderabad ('Registrar of Companies') as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per the requirements of Section 26 of Part I of Chapter III of the Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "SEBI ICDR Regulations") and to comply with the e-mail dated 28 October, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note") issued by the ICAI. As a result, these Special Purpose Standalone Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. C Venkat Krishna & Co. shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of above matter.

**Other Matters**

The Company has prepared a separate set of general purpose financial statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which we have issued our auditor's report dated September 5, 2022 and expressed an unmodified opinion on those financial statements.

The Special Purpose Standalone Financial Statements for the year ended March 31, 2022 have been prepared by the Management in accordance with the basis of preparation stated in Note 2.1(a) to the Special Purpose Standalone Financial Statements solely for the purpose of preparation of Restated Standalone Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Standalone Financial Statements.

Our Opinion is not modified in respect of above matters.

7. Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the examination report submitted by the Other Joint Auditor, C. Venkat Krishna & Co for the respective years, we report that:

   i) Restated 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 March 31, 2024, March 31, 2023 and March 31, 2022, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2024, as more fully described in Annexure VI to the Restated Financial Information (Restated Statement of Adjustments to Audited Financial Statements);

   ii) there are no qualifications in the auditor's reports on the Special Purpose Interim Consolidated Ind AS Financial Statements, Consolidated Ind AS Financial Statements of the Company and its associate as at and for the year ended March 31, 2024, Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023 and Special Purpose Consolidated Financial Statements for the year ended March 31, 2022, which require any adjustments to the Restated Financial Information. There are Emphasis of Matters and Other Matters (refer paragraph 6 above) and other legal and regulatory matter referred to in paragraph 6(B) above which do not require any adjustment to the Restated Financial Information; and

   iii) Restated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.

8. We have not audited any financial statements of the Company as at any date or for any period subsequent to September 30, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as at any date or for any period subsequent to September 30, 2024.

9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by the Other Joint Auditor's, 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, BSE and NSE as applicable in connection with the proposed IPO. 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 towards any other person relying on the examination report.

**For C Venkat Krishna & Co**
**Chartered Accountants**
Firm Registration No. 004599S

P.V.N Sastry
Partner
M. No: 029098
UDIN : 25029098BMIUAH6458

Place: Hyderabad
Date: March 17, 2025

**For M S K C & Associates LLP**
**(Formerly known as M S K C & Associates)**
**Chartered Accountants**
Firm Registration No. 001595S/ S000168

Tarun Kumar Jain
Partner
M. No: 231741
UDIN : 25231741BMLKZE9442

Place: Hyderabad
Date: March 17, 2025

**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)

**Annexure I- Restated Statement of Assets and Liabilities**

*(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)*

| Particulars | Note | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| a) Property, plant and equipment | 5 | 774.05 | 757.51 | 304.50 | 181.89 |
| b) Capital work-in-progress | 5A | 31.64 | - | - | - |
| c) Right-of-use assets | 6 | 14.15 | 19.46 | 20.02 | 27.51 |
| d) Intangible assets | 7 | 1.90 | 1.84 | 0.47 | - |
| e) Financial assets | | | | | |
| (i) Investments | 8 | 12.10 | 6.86 | - | - |
| (ii) Trade receivables | 12 | 130.73 | 80.65 | 39.90 | - |
| (iii) Other financial assets | 9 | 15.95 | 24.28 | 44.93 | 36.90 |
| f) Deferred tax assets (net) | 31 | 28.22 | 28.89 | 35.40 | 25.65 |
| **Total non-current assets** | | **1,008.74** | **919.49** | **445.22** | **271.95** |
| **Current assets** | | | | | |
| a) Inventories | 11 | 682.80 | 683.53 | 446.56 | 324.46 |
| b) Financial assets | | | | | |
| (i) Investments | 8 | 8.31 | 7.96 | - | - |
| (ii) Trade receivables | 12 | 1,710.39 | 1,477.98 | 799.85 | 707.24 |
| (iii) Cash and cash equivalents | 13 | 0.81 | 1.08 | 250.59 | 0.41 |
| (iv) Bank balances other than (iii) above | 14 | 242.60 | 242.27 | 34.09 | 26.32 |
| (v) Other financial assets | 9 | 988.61 | 1,029.21 | 486.44 | 347.85 |
| c) Current tax assets (net) | 22 | - | - | 0.89 | 0.22 |
| d) Other current assets | 10 | 307.64 | 260.12 | 103.58 | 123.66 |
| **Total current assets** | | **3,941.16** | **3,702.15** | **2,122.00** | **1,530.16** |
| **Total assets** | | **4,949.90** | **4,621.64** | **2,567.22** | **1,802.11** |
| **Equity and liabilities** | | | | | |
| **Equity** | | | | | |
| a) Equity share capital | 15 | 200.00 | 200.00 | 190.00 | 90.00 |
| b) Other equity | 16 | 830.97 | 673.11 | 141.31 | 30.78 |
| **Total equity** | | **1,030.97** | **873.11** | **331.31** | **120.78** |
| **Liabilities** | | | | | |
| **Non-current liabilities** | | | | | |
| a) Financial liabilities | | | | | |
| (i) Borrowings | 17 | 288.02 | 371.71 | 154.81 | 212.38 |
| (ia) Lease liabilities | 6 | 7.27 | 10.26 | 12.95 | 19.87 |
| b) Provisions | 21 | 11.76 | 13.03 | 10.22 | 10.03 |
| **Total non-current liabilities** | | **307.05** | **395.00** | **177.98** | **242.28** |
| **Current liabilities** | | | | | |
| a) Financial liabilities | | | | | |
| (i) Borrowings | 17 | 1,608.30 | 1,478.88 | 878.11 | 534.53 |
| (ia) Lease liabilities | 6 | 8.95 | 11.52 | 9.32 | 9.08 |
| (ii) Trade payables | 18 | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 118.06 | 1,028.37 | 348.70 | 186.43 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,597.14 | 670.00 | 457.22 | 340.75 |
| (iii) Other financial liabilities | 19 | 26.84 | 77.98 | 15.75 | 11.95 |
| b) Provisions | 21 | 5.33 | 1.91 | 1.38 | 0.76 |
| c) Other current liabilities | 20 | 228.22 | 79.90 | 347.45 | 355.55 |
| d) Current tax liabilities (net) | 22 | 19.04 | 4.97 | - | - |
| **Total current liabilities** | | **3,611.88** | **3,353.53** | **2,057.93** | **1,439.05** |
| **Total liabilities** | | **3,918.93** | **3,748.53** | **2,235.91** | **1,681.33** |
| **Total equity and liabilities** | | **4,949.90** | **4,621.64** | **2,567.22** | **1,802.11** |

*Note: The above statement should be read with Statement of Material Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of adjustments to Restated Financial Information in Annexure VI, and Notes to Restated Financial Information in Annexure VII.*

As per our report of even date attached

**For C Venkat Krishna & Co**
Chartered Accountants
ICAI Firm Registration No.: 004599S

**For M S K C & Associates LLP**
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)

**P.V.N Sastry**
Partner
Membership No. 029098

**Tarun Kumar Jain**
Partner
Membership No. 231741

**Chandra Sekhar Moturu**
Chairman and Managing Director
DIN 02010969

**Ragdeep Moturu**
Whole-time Director
DIN 07587747

**Krishna Kumari Moturu**
Executive Director and Chief Financial Officer
DIN 10376709

**Disha Jindal**
Company Secretary
Membership No. A65058

Place: Hyderabad
Date: March 17, 2025

Place: Hyderabad
Date: March 17, 2025

**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure II- Restated Statement of Profit and Loss**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| Particulars | Note | Consolidated<br>For the six months period ended September 30, 2024 | Consolidated<br>For the year ended March 31, 2024 | Standalone<br>For the year ended March 31, 2023 | Standalone<br>For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Revenue from operations | 23 | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |
| Other income | 24 | 11.26 | 18.47 | 4.70 | 8.04 |
| **Total Income (I)** | | **2,894.08** | **6,228.37** | **3,317.22** | **2,176.68** |
| **Expenses** | | | | | |
| Cost of materials consumed | 25 | 1,450.76 | 4,080.48 | 2,170.91 | 1,460.06 |
| Changes in inventories of work-in-progress | 26 | 312.52 | 4.92 | (173.72) | (37.85) |
| Employee benefits expense | 27 | 166.08 | 272.56 | 204.61 | 142.67 |
| Finance costs | 28 | 114.48 | 156.01 | 72.44 | 50.13 |
| Depreciation and amortisation expense | 29 | 27.63 | 35.85 | 28.22 | 23.28 |
| Other expenses | 30 | 619.37 | 1,265.33 | 866.83 | 520.84 |
| **Total expenses (II)** | | **2,690.84** | **5,815.15** | **3,169.29** | **2,159.13** |
| **Profit before share of profit from an associate and tax (I-II=III)** | | **203.24** | **413.22** | **147.93** | **17.55** |
| Share of profit from an associate (IV) | | 5.24 | 1.41 | - | - |
| **Profit before tax (III+IV=V)** | | **208.48** | **414.63** | **147.93** | **17.55** |
| **Tax expense** | 31 | | | | |
| Current tax | | 52.47 | 101.20 | 49.02 | 23.68 |
| Adjustment of income tax relating to earlier years (net) | | - | 16.12 | - | - |
| Deferred tax | | 0.04 | 6.26 | (10.22) | (18.99) |
| **Total tax expense (VI)** | | **52.51** | **123.58** | **38.80** | **4.69** |
| **Profit after tax (V-VI=VII)** | | **155.97** | **291.05** | **109.13** | **12.86** |
| **Other comprehensive income** | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Remeasurements of defined benefit liability | | 2.52 | 1.00 | 1.87 | - |
| Deferred tax relating to these items | | (0.63) | (0.25) | (0.47) | - |
| **Total other comprehensive income, net of tax (VIII)** | | **1.89** | **0.75** | **1.40** | - |
| **Total comprehensive income (VII+VIII=IX)** | | **157.86** | **291.80** | **110.53** | **12.86** |
| Earnings per equity share (Face value of Rs.5 each) # | 34 | | | | |
| Basic (In INR) | | 3.90 | 7.65 | 4.70 | 0.71 |
| Diluted (In INR) | | 3.90 | 7.65 | 4.70 | 0.71 |

# Basic and Diluted earnings per share for six months ended September 30, 2024 are not annualised.

*Note: The above statement should be read with Statement of Material Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of adjustments to Restated Financial Information in Annexure VI, and Notes to Restated Financial Information in Annexure VII.*

As per our report of even date attached

**For C Venkat Krishna & Co**
Chartered Accountants
ICAI Firm Registration No.: 004599S

**For M S K C & Associates LLP**
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)

**P.V.N Sastry**
Partner
Membership No. 029098

**Tarun Kumar Jain**
Partner
Membership No. 231741

**Chandra Sekhar Moturu**
Chairman and Managing Director
DIN 02010969

**Ragdeep Moturu**
Whole-time Director
DIN 07587747

**Krishna Kumari Moturu**
Executive Director and Chief Financial Officer
DIN 10376709

**Disha Jindal**
Company Secretary
Membership No. A65058

Place: Hyderabad
Date: March 17, 2025

Place: Hyderabad
Date: March 17, 2025

**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure III- Restated Statement of Changes in Equity**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| **A. Equity share capital** | **Note** | **Number of shares** | **Amount** |
|---|---|---|---|
| **As at April 1, 2021** | | **90,00,000** | **90.00** |
| Changes in equity shares during the year | | - | - |
| **As at March 31, 2022** | | **90,00,000** | **90.00** |
| Changes in equity shares during the year | 15 | 1,00,00,000 | 100.00 |
| **As at March 31, 2023** | | **1,90,00,000** | **190.00** |
| Changes in equity shares during the year | 15 | 10,00,000 | 10.00 |
| **As at March 31, 2024** | | **2,00,00,000** | **200.00** |
| Changes in equity shares during the period | | - | - |
| **As at September 30, 2024*** | | **2,00,00,000** | **200.00** |

* Refer note 42 (ii) Events after the reporting period on the split of Equity Shares.

| **B. Other equity** | | | | |
|---|---|---|---|---|
| **Particulars** | **Reserves and Surplus** | | **Other comprehensive income** | **Total** |
| | **Securities premium** | **Retained earnings** | **Remeasurement of defined benefit obligations routed through OCI** | |
| **Balance as at April 1, 2021** | - | 41.93 | - | 41.93 |
| Adjustment on first-time adoption of Ind AS (Refer Annexure VI) | - | (24.01) | - | (24.01) |
| Profit for the year | | 12.86 | - | 12.86 |
| **Balance as at March 31, 2022** | **-** | **30.78** | **-** | **30.78** |
| Profit for the year | - | 109.13 | - | 109.13 |
| Other comprehensive income, net of tax | - | - | 1.40 | 1.40 |
| **Balance as at March 31, 2023** | **-** | **139.91** | **1.40** | **141.31** |
| Profit for the year | - | 291.05 | - | 291.05 |
| Other comprehensive income, net of tax | - | - | 0.75 | 0.75 |
| Securities premium on issue of equity shares | 240.00 | - | - | 240.00 |
| **Balance as at March 31, 2024** | **240.00** | **430.96** | **2.15** | **673.11** |
| Profit for the period | - | 155.97 | - | 155.97 |
| Other comprehensive income, net of tax | - | - | 1.89 | 1.89 |
| **Balance as at September 30, 2024** | **240.00** | **586.93** | **4.04** | **830.97** |

*Note: The above statement should be read with Statement of Material Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of adjustments to Restated Financial Information in Annexure VI, and Notes to Restated Financial Information in Annexure VII.*

As per our report of even date attached
**For C Venkat Krishna & Co**
Chartered Accountants
ICAI Firm Registration No.: 004599S

**For M S K C & Associates LLP**
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)

**P.V.N Sastry**
Partner
Membership No. 029098

**Tarun Kumar Jain**
Partner
Membership No. 231741

**Chandra Sekhar Moturu**
Chairman and Managing Director
DIN 02010969

**Ragdeep Moturu**
Whole-time Director
DIN 07587747

**Krishna Kumari Moturu**
Executive Director and Chief Financial Officer
DIN 10376709

**Disha Jindal**
Company Secretary
Membership No. A65058

Place: Hyderabad
Date: March 17, 2025

Place: Hyderabad
Date: March 17, 2025

**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure IV- Restated Statement of Cash Flows**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| Particulars | | Consolidated<br>For the six months period ended<br>September 30, 2024 | Consolidated<br>For the year ended<br>March 31, 2024 | Standalone<br>For the year ended<br>March 31, 2023 | Standalone<br>For the year ended<br>March 31, 2022 |
|---|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | | |
| Profit before tax | | 208.48 | 414.63 | 147.93 | 17.55 |
| **Adjustments for:** | | | | | |
| Depreciation and amortisation expense | | 27.63 | 35.85 | 28.22 | 23.28 |
| Credit impaired trade receivables written off | | - | - | 32.49 | 0.03 |
| Interest expense on borrowings measured at amortised cost | | 95.31 | 142.37 | 66.27 | 40.96 |
| Interest expense on lease liabilities | | 0.90 | 2.32 | 2.41 | 3.00 |
| Interest income on security deposits | | (0.08) | (0.12) | (0.05) | (0.04) |
| Interest income on fixed deposits | | (4.83) | (8.97) | (4.62) | (2.57) |
| Interest expense on income tax | | - | 3.07 | - | - |
| Loss on sale of Property, plant and equipment | | - | - | 0.18 | - |
| Share of profit from an associate | | (5.24) | (1.41) | - | - |
| Net gain on financial assets designated on FVTPL | | (0.35) | (0.46) | - | - |
| Liabilities no longer required written back | | (6.00) | (8.92) | - | - |
| Other borrowing costs | | 18.27 | 6.49 | 2.84 | 6.17 |
| Provision for credit impaired trade receivables | | 5.55 | 24.07 | 41.87 | 76.27 |
| **Operating profit before working capital changes** | | **339.64** | **608.92** | **317.54** | **164.65** |
| **Changes in working capital** | | | | | |
| **Adjustments for (increase) / decrease in operating assets:** | | | | | |
| Trade receivables | | (288.04) | (742.95) | (206.87) | (314.01) |
| Inventories | | 0.73 | (236.97) | (122.10) | (219.05) |
| Other financial assets | | 49.01 | (522.00) | (146.57) | (200.04) |
| Other assets | | (47.52) | (156.54) | 20.08 | (36.13) |
| **Adjustments for increase / (decrease) in operating liabilities:** | | | | | |
| Trade payables | | 22.83 | 901.37 | 278.74 | 168.08 |
| Provision | | 4.67 | 4.34 | 2.68 | 10.79 |
| Other financial liabilities | | (52.92) | 62.23 | 3.80 | 11.10 |
| Other liabilities | | 148.32 | (267.55) | (8.10) | 195.80 |
| **Cash flows from/(used in) operations** | | **176.72** | **(349.15)** | **139.20** | **(218.81)** |
| Income tax paid (net of refund) | | (38.40) | (114.53) | (49.69) | (27.61) |
| **Net cash flow from/(used in) operating activities** | **A** | **138.32** | **(463.68)** | **89.51** | **(246.42)** |
| **B. Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment and intangible assets (including Capital work-in-progress) | | (70.56) | (482.49) | (145.01) | (141.71) |
| Proceeds from sale of property, plant and equipment | | - | 1.80 | 1.02 | 32.68 |
| Investment in associate | | - | (5.45) | - | - |
| Investment in mutual funds | | - | (7.50) | - | - |
| Movement in bank balances other than cash and cash equivalent | | (0.33) | (208.18) | (7.77) | 1.67 |
| Interest received on fixed deposits | | 4.83 | 8.97 | 4.62 | 2.57 |
| **Net cash flows used in investing activities** | **B** | **(66.06)** | **(692.85)** | **(147.14)** | **(104.79)** |
| **C. Cash flow from financing activities** | | | | | |
| Proceeds from issuance of equity share capital including securities premium | | - | 250.00 | - | - |
| Proceeds from long term borrowings | | 72.60 | 403.51 | 56.30 | 26.26 |
| Repayment of long term borrowings | | (122.52) | (71.26) | (42.31) | - |
| Proceeds from short term borrowings (net) | | 95.65 | 479.72 | 367.95 | 378.28 |
| Interest paid on borrowings | | (93.53) | (136.67) | (62.21) | (40.96) |
| Other borrowing costs | | (18.27) | (6.49) | (2.84) | (6.17) |
| Payment towards principal portion of lease liability | | (5.56) | (9.47) | (6.68) | (5.88) |
| Interest paid on lease liabilities | | (0.90) | (2.32) | (2.40) | (3.00) |
| **Net cash flows generated from/(used in) financing activities** | **C** | **(72.53)** | **907.02** | **307.81** | **348.53** |
| **Net Increase/(decrease) in cash and cash equivalents** | **A+B+C** | **(0.27)** | **(249.51)** | **250.18** | **(2.68)** |
| Cash and cash equivalents at the beginning of the period/year | | 1.08 | 250.59 | 0.41 | 3.09 |
| **Cash and cash equivalents at the end of the period/year (Refer Note 13)** | | **0.81** | **1.08** | **250.59** | **0.41** |

*The above restated 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.*

*Note: The above statement should be read with Statement of Material Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of adjustments to Restated Financial Information in Annexure VI, and Notes to Restated Financial Information in Annexure VII.*

As per our report of even date attached

**For C Venkat Krishna & Co**
Chartered Accountants
ICAI Firm Registration No.: 004599S

**For M S K C & Associates LLP**
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)

**P.V.N Sastry**
Partner
Membership No. 029098

**Tarun Kumar Jain**
Partner
Membership No. 231741

**Chandra Sekhar Moturu**
Chairman and Managing Director
DIN 02010969

**Ragdeep Moturu**
Whole-time Director
DIN 07587747

**Krishna Kumari Moturu**
Executive Director and Chief Financial Officer
DIN 10376709

**Disha Jindal**
Company Secretary
Membership No. A65058

Place: Hyderabad
Date: March 17, 2025

Place: Hyderabad
Date: March 17, 2025

**1 Corporate information**

Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) ('the Company'/'Ardee'/'the Parent Company') is a design, engineering and manufacturing entity formed in year 2008 as a partnership firm. On July 20, 2020, the Partnership firm was converted into private limited company under the provisions of the Companies Act, 2013. Later, the Company was converted from private limited company to public limited company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 5, 2024 and consequently the name of the Company was changed to Ardee Engineering Limited w.e.f August 05, 2024. The registered office is located at H. No. 8-2-334/K/1, Flat Nos. 101, 102 & 103, Aditya Court, Road No. 5, Banjara Hills, Hyderabad - 500034, Telangana, India.

The Company is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions. Infrastructure, Irrigation, Mining and Minerals, Ports, Power and Oil and Gas, are the major sectors where Ardee has operated in.

The Restated Financial information comprise the financial information of the Company and its interest in associate (refer Note 38) for the six months period ended September 30, 2024 and for the year ended March 31, 2024.

**2 Summary of Material accounting policies**

These notes provides a list of the material accounting policies adopted in the preparation of this Restated Financial Information. These policies have been consistently applied to all the reporting period/years presented, unless otherwise stated.

**2.1 Basis of preparation**

**(a) Statement of compliance**

The Restated Financial Information of the Company has been specifically prepared for inclusion in the Draft Red Herring Prospectus ('DRHP') 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 Financial Information of the Company and its interest in associate comprise the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024 and March 31, 2024, 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 for the six months period ended September 30, 2024 and for the year ended March 31, 2024; and Restated Standalone Statement of Assets and Liabilities as at March 31, 2023 and March 31, 2022, the Restated Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Statement of Cash Flows, the Restated Standalone Statement of Changes in Equity for the years ended March 31, 2023 and March 31, 2022, and Statement of Material Accounting Policies to Restated Financial Information and Statement of Adjustments to the Restated Financial Information (hereinafter collectively referred to as "Restated Financial Information").

The Restated Financial Information has been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective as at September 30, 2024. The Restated Financial Information has been approved by the Board of Directors on March 17, 2025.

The Restated Financial Information has been prepared by the Management of the Company to comply 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 (the "SEBI ICDR Regulations");
c) E-mail dated 28 October 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("SEBI Communication"); and
d) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("the Guidance Note")

The Restated Financial Information have been prepared by the Management of the company and compiled from:
I. Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Company and its associate as at and for the six months period ended September 30, 2024 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 March 17, 2025.

II. Audited Consolidated Financial Statements of the Company and its associate as at and for the year ended March 31, 2024 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 September 17, 2024;

III. Audited Special Purpose Ind AS Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2023 prepared in accordance with the 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 September 17, 2024; and

IV. Audited Special Purpose Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2022 prepared in accordance with the 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 September 17, 2024.
The Company has prepared the Special Purpose Financial Statements (Standalone) as at and for the year ended March 31, 2022 (referred as "Special Purpose Ind AS Financial Statements") as per following basis:

The Special Purpose Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2022, have been prepared by the management of the Company 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. April 1, 2022.

Suitable restatement adjustments (both re-measurements and reclassifications) as per Ind AS 101, are made to these Financial Statements for the year ended March 31, 2022.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company has voluntarily adopted March 31, 2024, as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently April 1, 2022, as the transition date for preparation of its statutory financial statements for the year ended March 31, 2024. Hence, the general purpose financial statements for the year ended March 31, 2024, were the first financials statements, prepared in accordance with Ind AS. Upto the financial year ended March 31, 2023, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 (“Indian GAAP” or “Previous GAAP”).
In pursuance to general directions received from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 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 (Standalone) have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in Offer documents in relation to the proposed IPO. As such these Special Purpose Financial Statements (Standalone) are not suitable for any other purpose other than for the purpose of preparation of Restated 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 Company in preparation of the Restated Financial Information and are consistent with those adopted in the preparation of financial statements for the six months period ended September 30, 2024. This Restated 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 Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI 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 Company for the six months period ended September 30, 2024 and the requirements of the SEBI ICDR Regulations, if any; and
c. The resultant impact of tax due to the aforesaid adjustments, if any.
d. do not require any adjustments for modifications as there is no modification in the underlying audit reports.

**(b) Basis of measurement**

This restated financial information has been prepared on accrual basis and under historical cost convention, except for the following items (refer to individual accounting policies for detail):

i. Certain financial instruments - Fair value through profit or loss
ii. Net defined benefit asset / (liability) - Present value of defined benefit obligations

The Company has prepared the financial information on the basis that it will continue to operate as a going concern.

**(c) Functional and presentation currency**

The restated financial information is presented in Indian Rupees (Rs.) which is also the functional and presentation currency of the Company. All the amounts disclosed in the financial information which also include the accompanying notes have been rounded off to the nearest millions except for share and per share data and where otherwise stated, up to two decimal places as per the requirement of Schedule III to the Companies Act 2013.

**(d) Use of estimates**

The preparation of financial information in conformity with principles of Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information are disclosed in note no 3.

**(e) Classification between - Current and Non-current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating Cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of its assets and liabilities as current and non-current.

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**2.2 Basis of consolidation**

The restated financial information presented for the reporting period/years include the financial statements of the Company and its share in associate accounted in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

Associates are entities over which the Company exercise significant influence but does not control. Significant influence is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Company in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Company's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the restated financial information.

An investment in an associate is initially recognised at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the associate in the net profits as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

**Summary of material accounting policies**

**2.3 Property, plant and equipment**

Property, plant and equipment ("PPE") are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the period/year in which they are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**Depreciation methods, estimated useful lives**

Depreciation on property, plant and equipment is provided on a pro-rata basis on the Straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life, residual values and the depreciation method are reviewed at the end of each reporting period, with effect of any change in estimate accounted for on a prospective basis.

The useful life of assets are as follows:

| **Tangible assets** | **Useful life as per Schedule II** | **Useful life estimated by the management based on technical assessment** |
|---|---|---|
| Buildings | 30 years | 15 - 30 years |
| Plant and machinery | 15 years | 15 years |
| Furniture and fixtures | 10 years | 10 years |
| Computers | 3 years | 3 years |
| Office equipments | 5 years | 5 - 10 years |
| Vehicles | 8 years | 8-15 years |

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

In case of a revision of useful lives, the unamortized depreciable amount is charged over the revised remaining useful life.

**2.4 Intangible assets**

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. The cost comprises its purchase price and directly attributable cost of preparing the asset for its intended use. Amortisation is recognised on a Straight line method basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and the amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The useful life of asset is as follows:

| **Asset** | **Useful lives** |
|---|---|
| Software | 5 years |

**2.5 Impairment of non-financial assets**

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a Company of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or Group of assets (the "cash-generating unit").

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

**2.6 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

**Company as a lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use asset at the lease commencement date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.5 Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of land and Buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**2.7 Fair value measurement**

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 Company.

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.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**2.8 Inventories**

Inventories are valued at the lower of cost and net realisable value.

**i Raw materials, components and stores and spares:**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

**ii Work-in-progress:**

Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a moving weighted average basis.

**iii Scrap:**

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**2.9 Revenue from contract with customers**

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Contract with customers include pre-engineered building, material handling and engineering contracts along with erection and installation services. All the supplies and services are considered as one performance obligation as the Company believes underlying goods and services are single performance obligation, single commercial objective or the consideration in one contract depends on another.

In respect of the contracts**,** revenue is recognised over a period of time using the input method (equivalent to percentage of completion method POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Percentage of completion is determined on the basis of proportion of the costs of shipment made and cost of erection incurred as against the total estimated cost of shipment and erection.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of a third party. Payment terms agreed with a customer are as per business practice, and there is no financing component involved in the transaction price.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

**Interest income**

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

**Contract balances**

**a. Contract Assets:**

Revenue earned but not billed to customers against contract with customers is reflected as unbilled revenue under "Other financial assets" because the receipt of consideration is conditional on Company's performance under the contract (i.e. transfer control of related goods or services to the customer). Upon completion of the installation and acceptance by the customer, the amount recognised as unbilled revenue is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in note 2.13 Financial instruments – initial recognition and subsequent measurement.

**b. Trade Receivables:**

A 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 the accounting policies of financial assets in note 2.13 (Financial instruments – initial recognition and subsequent measurement).

**c. Contract Liabilities:**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. These amounts are reflected as Advance from customers under "Other liabilities". 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).

**2.10 Retirement and other employee benefits**

**Defined contribution plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**Defined benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.
All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

**2.11 Taxes**

Tax expense for the period/year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the period/year.

**Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year/period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial information. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.12 Provisions, contingent liabilities and contingent assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past event but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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**2.13 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, (in the case of financial assets not recorded at fair value through restated statement of profit and loss) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed off in the statement of profit & loss. Trade receivable that does not contain a significant financing component are measured at transaction price.

**Classification and subsequent measurement:**

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition and impairment losses (if any) are recognised directly in profit or loss.
The Company's financial assets at amortised cost includes trade receivables and security deposit.

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 FVOCI. Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.
The Company has not designated any financial asset (debt instruments) at FVTOCI.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss.
The Company has designated investments in mutual funds (debt instruments) in this category.

**Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's summary statements of assets and liabilities) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12- month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities and equity**

An instruments issued by a 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 the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

**Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:
**Financial liabilities at fair value through profit or loss:** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Financial liabilities at amortised cost:** Financial liabilities are subsequently carried at amortised cost using the effective interest method.
This category generally applies to borrowings. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

**Offsetting 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 assets and settle liabilities 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 Company or the counterparty.

**2.14 Investments in the nature of equity in Associate**

Investment in associate are accounted for using the 'equity method' less accumulated impairment, if any.

**2.15 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/period.

The weighted average number of equity shares outstanding during the year/periods adjusted for events such as bonus issue, bonus element in a rights issue,share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares.

**2.16 Segment Reporting**

**Identification of segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors monitors the operating results as a single segment considering activities of manufacturing, supply, erection and installation of pre- engineered buildings, material handling solutions and related services as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

**3 Significant accounting judgments, estimates and assumptions**

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

**3.1 Judgements / estimates**

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year, are described below:

a. The Company based its assumptions and estimates on parameters available when the financial information were prepared.

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

**(a) Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

Determining the expected losses, which are recognized in the period in which such losses become probable based on the expected total contract cost as of the reporting date.

**(b) Useful lives of property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful lives of the assets.

**(c) Contingent liabilities**

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(d) Provision for expected credit losses of trade receivables and contract assets**

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and the Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**(e) Defined benefit plans (Gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table . The mortality table tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**(f) Deferred tax recognition**

Deferred tax asset (DTA) is recognized only when and to the extent there is convincing evidence that the Company will have sufficient taxable profits in future against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, recent business performance and developments.

**4 Recent accounting pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Amendment Rules as issued from time to time. For the six months ended September 30, 2024, MCA has not notified any new standards or amendments relating to existing standards applicable to the Company.

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**Statement of restatement adjustments**

For periods up to and including the year ended March 31, 2023, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP"). The Restated Financial Information have been compiled from the Audited Special Purpose Interim Consolidated Financial Statements of the Company as at and for the six months ended September 30, 2024, Audited Consolidated Financial Statements for the year ended March 31, 2024 and the Audited Special Purpose Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2023 & March 31, 2022 (refer basis of preparation para under Note 2.1).

In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2022, 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 April 1, 2022 and the financial statements as at and for the year ended March 31, 2023 and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

There are no differences between Restated Financial Information, Audited Interim Special Purpose Consolidated Financial Statements, Audited Consolidated Financial Statements and Audited Special Purpose Financial Statements (Standalone) of the Company as referred above. Reconciliations between the Restated 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 March 31, 2023, March 31, 2022 and April 1, 2021**

| **Particulars** | **Note** | **As at March 31, 2023** | **As at March 31, 2022** | **As at April 1, 2021** |
|---|---|---|---|---|
| Equity share capital | | 190.00 | 90.00 | 90.00 |
| Other equity | | 237.32 | 96.30 | 41.94 |
| **Total equity (shareholder's funds) as per audited IGAAP Financials of respective years (A)** | | **427.32** | **186.30** | **131.94** |
| **Add/(Less): Adjustment** | | | | |
| Impact under Ind AS 116 | 6(vi) | (2.43) | (1.61) | 0.17 |
| Fair value adjustment of security deposit | 6(v) | 0.09 | 0.04 | (0.17) |
| Provision for credit impaired trade receivables | 6(viii) | (149.30) | (107.43) | (31.16) |
| Fair value adjustment of inter corporate deposit | 6(iv) | 3.15 | 5.43 | - |
| EIR adjustment of term loans | 6(iv) | 0.18 | 0.17 | - |
| Impact under Ind AS 115 | 6(ix) | 15.07 | 8.98 | 3.45 |
| Deferred tax adjustment | 6(vii) | 37.23 | 28.90 | 6.66 |
| **Total adjustments (B)** | | **(96.01)** | **(65.52)** | **(21.05)** |
| **Total equity as per Restated financial information (A+B)** | | **331.31** | **120.78** | **110.89** |

**2 Reconciliation of profit and total comprehensive income / (loss) for the year ended March 31, 2023 and March 31, 2022**

| **Particulars** | **Note** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| **Profit after tax as per audited IGAAP financials or respective years (A)** | | **141.02** | **54.37** |
| **Add/(Less): Adjustment** | | | |
| Impact under Ind AS 116 | 6(vi) | (0.82) | (1.59) |
| Fair value adjustment of security deposit | 6(v) | 0.05 | 0.04 |
| Provision for credit impaired trade receivables | 6(viii) | (41.87) | (76.27) |
| Fair value adjustment of inter corporate deposits | 6(iv) | (2.28) | 5.43 |
| EIR adjustment of term loans | 6(iv) | 0.01 | - |
| Impact under Ind AS 115 | 6(ix) | 6.09 | 9.00 |
| Deferred tax adjustment | 6(vii) | 8.33 | 21.88 |
| Adjustment for defined benefit liability | 6(ii) | (1.40) | - |
| **Total adjustments (B)** | | **(31.89)** | **(41.51)** |
| **Profit as per Restated financial information (C=A+B)** | | **109.13** | **12.86** |
| **Other comprehensive income** | | | |
| Remeasurements of defined benefit liability (net of tax) | | 1.40 | **-** |
| **Total comprehensive income as per restated financial information** | | **110.53** | **12.86** |

**3 Impact of restatement adjustment on the cash flows statement for the year ended March 31, 2023 and March 31, 2022**

The restatement adjustment has not made a material impact on the statement of cash flows.

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**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 | Note | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP* | Adjustments | Restated | IGAAP* | Adjustments | Restated |
| **Assets** | | | | | | | |
| **Non-current assets** | | | | | | | |
| Property, plant and equipment | 6(i) | 304.50 | - | 304.50 | 181.89 | - | 181.89 |
| Right-of-use assets | 6(vi) | - | 20.02 | 20.02 | - | 27.51 | 27.51 |
| Intangible assets | | 0.47 | - | 0.47 | - | - | - |
| Financial assets | | | | | | | |
| Trade receivables | | 39.90 | - | 39.90 | - | - | - |
| Other financial assets | 6(v) | 45.01 | (0.08) | 44.93 | 37.02 | (0.12) | 36.90 |
| Deferred tax asset (net) | 6(vii) | (1.82) | 37.22 | 35.40 | (3.23) | 28.88 | 25.65 |
| **Total non-current assets** | | **388.06** | **57.16** | **445.22** | **215.68** | **56.27** | **271.95** |
| **Current assets** | | | | | | | |
| Inventories | 6(ix) | 697.77 | (251.21) | 446.56 | 474.12 | (149.66) | 324.46 |
| Financial assets | | | | | | | |
| Trade receivables | 6(viii) | 949.15 | (149.30) | 799.85 | 814.67 | (107.43) | 707.24 |
| Cash and cash equivalents | | 250.59 | - | 250.59 | 0.41 | - | 0.41 |
| Bank balances other than cash and cash equivalents | | 34.09 | - | 34.09 | 26.32 | - | 26.32 |
| Other financial assets | 6(ix) | 220.16 | 266.28 | 486.44 | 189.21 | 158.64 | 347.85 |
| Current tax assets (net) | | 0.89 | - | 0.89 | 0.22 | - | 0.22 |
| Other current assets | | 103.58 | - | 103.58 | 123.66 | - | 123.66 |
| **Total current assets** | | **2,256.23** | **(134.23)** | **2,122.00** | **1,628.61** | **(98.45)** | **1,530.16** |
| **Total assets** | | **2,644.29** | **(77.07)** | **2,567.22** | **1,844.29** | **(42.18)** | **1,802.11** |

| Particulars | Note | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP* | Adjustments | Restated | IGAAP* | Adjustments | Restated |
| **Equity and Liabilities** | | | | | | | |
| **Equity** | | | | | | | |
| Equity share capital | | 190.00 | - | 190.00 | 90.00 | - | 90.00 |
| Other equity | 6 | 237.32 | (96.01) | 141.31 | 96.30 | (65.52) | 30.78 |
| **Total equity** | | **427.32** | **(96.01)** | **331.31** | **186.30** | **(65.52)** | **120.78** |
| **Liabilities** | | | | | | | |
| **Non-current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | 6(iv) | 158.14 | (3.33) | 154.81 | 217.99 | (5.61) | 212.38 |
| Lease liabilities | 6(vi) | - | 12.95 | 12.95 | - | 19.87 | 19.87 |
| Provisions | | 10.22 | - | 10.22 | 10.03 | - | 10.03 |
| **Total non-current liabilities** | | **168.36** | **9.62** | **177.98** | **228.02** | **14.26** | **242.28** |
| **Current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 878.11 | - | 878.11 | 534.53 | - | 534.53 |
| Lease liabilities | 6(vi) | - | 9.32 | 9.32 | - | 9.08 | 9.08 |
| Trade payables | | | | | | | |
| i) Total outstanding dues of micro enterprises and small enterprises | | 348.70 | - | 348.70 | 186.43 | - | 186.43 |
| ii) Total outstanding dues of creditors other than micro enterprises and small | | 457.22 | - | 457.22 | 340.75 | - | 340.75 |
| Other financial liabilities | | 15.75 | - | 15.75 | 11.95 | - | 11.95 |
| Provisions | | 1.38 | - | 1.38 | 0.76 | - | 0.76 |
| Other current liabilities | | 347.45 | - | 347.45 | 355.55 | - | 355.55 |
| **Total current liabilities** | | **2,048.61** | **9.32** | **2,057.93** | **1,429.97** | **9.08** | **1,439.05** |
| **Total liabilities** | | **2,216.97** | **18.94** | **2,235.91** | **1,657.99** | **23.34** | **1,681.33** |
| **Total equity and liabilities** | | **2,644.29** | **(77.07)** | **2,567.22** | **1,844.29** | **(42.18)** | **1,802.11** |

* The audited financial statements figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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(All amounts are Rs. in Million, except for share and per share data and where 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 | Note | For the year ended March 31, 2023 | | | For the year ended March 31, 2022 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP* | Adjustments | Restated | IGAAP* | Adjustments | Restated |
| **Income** | | | | | | | |
| Revenue from operations | 6(ix) | 3,204.88 | 107.64 | 3,312.52 | 2,009.98 | 158.66 | 2,168.64 |
| Other income | 6(v) | 4.65 | 0.05 | 4.70 | 2.57 | 5.47 | 8.04 |
| **Total Income** | | **3,209.53** | **107.69** | **3,317.22** | **2,012.55** | **164.13** | **2,176.68** |
| **Expenses** | | | | | | | |
| Cost of materials consumed | | 2,170.91 | - | 2,170.91 | 1,583.73 | (123.67) | 1,460.06 |
| Changes in inventories of work-in-progress | 6(ix) | (275.27) | 101.55 | (173.72) | (311.18) | 273.33 | (37.85) |
| Employee benefits expense | 6(ii) | 202.75 | 1.86 | 204.61 | 142.67 | - | 142.67 |
| Finance costs | 6(iv) | 67.72 | 4.72 | 72.44 | 48.21 | 1.92 | 50.13 |
| Depreciation and amortisation expense | 6(vi) | 20.73 | 7.49 | 28.22 | 15.79 | 7.49 | 23.28 |
| Other expenses | 6(viii) | 834.08 | 32.75 | 866.83 | 452.39 | 68.45 | 520.84 |
| **Total expenses** | | **3,020.92** | **148.37** | **3,169.29** | **1,931.61** | **227.52** | **2,159.13** |
| **Profit before tax** | | **188.61** | **(40.68)** | **147.93** | **80.94** | **(63.39)** | **17.55** |
| **Tax expense** | | | | | | | |
| Current tax | | 49.02 | - | 49.02 | 23.68 | - | 23.68 |
| Deferred tax | | (1.43) | (8.79) | (10.22) | 2.89 | (21.88) | (18.99) |
| **Total income tax expense** | | **47.59** | **(8.79)** | **38.80** | **26.57** | **(21.88)** | **4.69** |
| **Profit for the year** | | **141.02** | **(31.89)** | **109.13** | **54.37** | **(41.51)** | **12.86** |
| **Other comprehensive income** | | | | | | | |
| **Items not to be reclassified to profit or loss** | | | | | | | |
| Remeasurements of defined benefit liability | | - | 1.87 | 1.87 | - | - | - |
| Deferred tax relating to these items | | - | (0.47) | (0.47) | - | - | - |
| **Total other comprehensive income, net of tax** | | **-** | **1.40** | **1.40** | **-** | **-** | **-** |
| **Total other comprehensive income for the year** | | **141.02** | **(30.49)** | **110.53** | **54.37** | **(41.51)** | **12.86** |

*The audited financial statements figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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**6 Ind AS Adjustments**

Optional exemptions availed on first time adoption of Ind AS under "Ind AS 101":

**(i) <u>Deemed Cost</u>**

The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment and Intangible assets as on the date of transition i.e. April 1, 2022 and hence the net block carrying amount (as per Previous GAAP) has been considered as the gross block carrying amount (as per Ind AS) on that date i.e. April 1, 2022.

**(ii) <u>Remeasurement gain / (loss) of net defined benefit plan</u>**

Under Previous GAAP the Company recognised actuarial gains and losses in the Statement of Profit and Loss. Under Ind AS, all actuarial gains and losses are recognised in the other comprehensive income.

**(iii) <u>Other comprehensive income</u>**

The concept of Other Comprehensive Income (OCI) did not exist under IGAAP. Also refer point (ii) above.

**(iv) <u>Borrowings</u>**

(a) Under Previous GAAP, Inter Corporate Deposits are recognised at transaction cost. Under Ind AS 109, these are measured at fair value. Thus the impact on Inter Corporate Deposits under IGAAP is reduced by Rs. 3.15 Mn as on March 31, 2023 (March 31, 2022: Rs. 5.43 Mn) and corresponding reduction of retained earnings by Rs. 2.28 Mn during the financial year 2022-23 (increase as on March 31, 2022: Rs. 5.43 Mn).

(b) Under Previous GAAP, processing fee on borrowings are recognised as expense when incurred. Under Ind AS 109, these costs are recognised under EIR method. Thus the impact on borrowings under IGAAP is reduced by Rs. 0.18 Mn as on March 31, 2023 (March 31, 2022: Rs. 0.17 Mn) and corresponding increase of retained earnings by Rs. 0.01 Mn during the financial year 2022-23 (increase as on March 31, 2022: Rs. 0.17 Mn)

**(v) <u>Other financial assets</u>**

Under Previous GAAP, Interest free security deposits given are recognised at transaction cost. Under Ind AS 109 and Ind AS 116, these are measured at fair value. Thus impact under IGAAP on security deposits is reduced by Rs. 0.08 Mn as on March 31, 2023 (March 31, 2022: Rs. 0.13 Mn and April 1, 2021: Rs. 0.17 Mn) and corresponding increase in retained earnings by Rs. 0.05 Mn during the financial year 2022-23 (March 31, 2022 Rs. 0.04 Mn).
Corresponding increase in ROU by Rs. 0.17 Mn as on April 1, 2021.

**(vi) <u>Lease liabilities and Right-of-use assets</u>**

Under Previous IGAAP, Leases are classified as operating leases and lease rentals under operating leases are recognised in the statement of profit or loss on a straight line basis over lease term. Under Ind AS 116, leases are capitalised at the lease's inception at the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Further, lessee shall recognise a right-of-use- asset and lease liability. ROU asset of Rs. 20.02 Mn as on March 31, 2023 (March 31, 2022: Rs. 27.51 Mn, April 1, 2021: Rs 35.00 Mn) and lease liabilities of Rs. 22.27 Mn as on March 31, 2023 (March 31, 2022: Rs. 28.95 Mn, April 01, 2021: Rs 34.83 Mn). Depreciation and interest expense of Rs. 7.49 Mn and Rs. 2.41 Mn as on March 31, 2023 (March 31, 2022: Rs. 7.49 Mn and Rs. 3.00 Mn recognised in retained earnings) respectively is recognised in the statement of profit and loss.

**(vii) <u>Deferred tax</u>**

Under Previous GAAP, Deferred tax is calculated using the income statement approach which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS 12 deferred tax is calculated using balance sheet approach which focuses on differences between taxable profits and accounting profits for the period. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

**(viii) <u>Expected credit loss</u>**

Under Previous GAAP, The Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company has to provide loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach". The Company uses an provision matrix to measure the expected credit losses of trade receivables. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. The Company has impaired its trade receivables by Rs. 149.30 Mn as on March 31, 2023 (March 31, 2022: Rs. 107.43 Mn, April 1, 2021: Rs 31.16 Mn ) and corresponding effect in statement of profit and loss for the year March 31, 2023: Rs. 41.87 Mn (March 31, 2022: 76.27 Mn) and Rs. 31.16 Mn in retained earnings as on April 1, 2021.

**(ix) <u>Revenue from contract with customers</u>**

Contract revenue and contract cost associated with revenue from contract with customers is recognised over a period of time using the input method (equivalent to percentage of completion method POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation. Contract revenue earned in excess of billing has been reflected as unbilled revenue. Accordingly:

(a) there is an impact of increase in revenue to the amount of Rs. 60.98 Mn and increase in changes in inventories of work-in-progress to the amount of Rs. 57.53 Mn (net impact of increase in retained earnings to the amount of Rs. 3.45 Mn. April 01, 2021.

(b) there is an impact of increase in unbilled revenue to the amount of Rs. 266.29 Mn as on March 31, 2023 (March 31, 2022: Rs. 158.65 Mn and April 1, 2021: Rs 70.98 Mn) and decrease in inventories to the amount of Rs. 251.21 Mn as on March 31, 2023 (March 31, 2022: Rs. 149.66 Mn and April 01, 2021 : Rs 57.53 Mn).

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**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure VI: Statement of Adjustments to Restated Financial Information**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**(B) Material regrouping**
Appropriate regroupings have been made in the Restated Balance Sheet, Restated Statement of Profit and 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 six months ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 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:**
**Audit qualification matters in Auditors' Report, which do not require any corrective adjustments in the Restated Financial Information**

**Modification in Other Legal and Regulatory Requirements included in the auditor's report on the Consolidated financial statements of the Company as at and for the year ended March 31, 2024 not requiring adjustments to Restated Financial Information**
(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except:
i. that the Company has not maintained daily back-up of books of accounts and other books and papers maintained in electronic mode in a server physically located in India.
ii. for the matters stated in the paragraph 2 (h) (vi) below on reporting under Rule 11(g).

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
vi. The Company has upgraded its accounting software on April 14, 2023 to a new version of accounting software from an earlier version of the accounting software that it operated for maintaining its books of account during the year ended March 31, 2024. Based on our examination, we are unable to comment whether the earlier version of the accounting software had a feature of recording audit trail (edit log) facility and whether it was enabled therein. However, the upgraded Edit log version of software has a feature of recording audit trail (edit log) facility, which was enabled in the accounting software and the same has been operated throughout the period from April 14, 2023 to March 31, 2024. Further, we did not come across any instance of the audit trail feature being tampered with, post upgradation of the accounting software.

**Reporting included in the Annexure B in the Audited financial statements of the Company for the year ended March 31, 2024, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented.**

Clause (vii) (a) of CARO 2016 Order
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 generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.
Undisputed amounts payable in respect of income-tax dues, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable, are as follows:

| Nature of the statute | Nature of the dues | Amount in Rs. Millions | Period to which amount relates | Due date | Date of payment | Remarks |
|---|---|---|---|---|---|---|
| Income-tax act, 1961 | Tax deducted at source | 0.29 | April 2023 to August 2023 | 7th of the subsequent month | In the month of June, July and September 2024 | Paid subsequent to reporting date |
| Income-tax act, 1961 | Income-tax | 3.18 | FY 2021-22 | - | July 24, 2024 | Paid subsequent to reporting date |

**Reporting included in the Annexure B in the financial statements of the Company for the year ended March 31, 2023, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented.**

Clause (vii) (a) of CARO 2016 Order
According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, ESI, income-tax, VAT, service tax, duty of customs, duty of excise, cess, and other statutory dues.

**Reporting included in the Annexure B in the financial statements of the Associate for the year ended March 31, 2024, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented.**

Clause (vii) (a) of CARO 2016 Order
According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other material statutory dues were in arrears, as at 31st March 2024 for a period of more than six months from the date they became payable except ESI of Rs. 0.02 Mn, EPF of Rs. 0.01 Mn and Tax deducted at source of Rs 0.07 Mn relating to earlier years.

**(D) Statement of Restatement Adjustments to Restated Financial Information**
Reconciliation of total equity as per the Audited Special Purpose Interim Consolidated Ind AS Financial Statements for the six months ended September 30, 2024, Audited Consolidated Financial Statements for the year ended March 31, 2024 and the Audited Special Purpose (Standalone) Financial Statements for the year ended March 31, 2023 and March 31, 2022 with the total equity as per the Restated Financial Information.

| Particulars | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| Total equity as per special purpose/ audited financial statements | 1,030.97 | 873.11 | 331.31 | 120.78 |
| Adjustments | - | - | - | - |
| **Total equity as per the Restated Statement of Assets and Liabilities** | **1,030.97** | **873.11** | **331.31** | **120.78** |

Reconciliation of profit for the period/year after tax as per the Audited Special Purpose Interim Consolidated Financial Statements for the six months ended September 30, 2024, Audited Consolidated Financial Statements for the year ended March 31, 2024 and the Audited Special Purpose (Standalone) Financial Statements for the year ended March 31, 2023 and March 31, 2022 with the profit after tax as per the Restated Financial Information.

| Particulars | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Profit for the period/year as per special purpose interim / audited financial statements | 155.97 | 291.05 | 109.13 | 12.86 |
| Adjustments | - | - | - | - |
| **Profit for the period/year as per the Restated Statement of Profit and Loss** | **155.97** | **291.05** | **109.13** | **12.86** |

**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure VII- Notes to Restated Financial Information**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**5 Property, plant and equipment**

| | Land | Buildings | Plant and machinery | Furniture and fixtures | Computers | Office equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Carrying amount as at April 01, 2021 (deemed cost #) (Standalone)** | **-** | **-** | **22.92** | **0.52** | **2.34** | **1.46** | **61.41** | **88.65** |
| Additions | - | 33.13 | 37.26 | - | 1.34 | 1.01 | 36.30 | 109.04 |
| Disposals | - | - | - | - | - | - | - | - |
| **Cost as at March 31, 2022 (Standalone)** | **-** | **33.13** | **60.18** | **0.52** | **3.68** | **2.47** | **97.71** | **197.69** |
| Additions | 98.06 | 27.87 | 12.74 | 1.28 | 1.05 | 1.51 | 1.98 | 144.49 |
| Disposals | - | - | - | - | - | - | 1.20 | 1.20 |
| **Cost as at March 31, 2023 (Standalone)** | **98.06** | **61.00** | **72.92** | **1.80** | **4.73** | **3.98** | **98.49** | **340.98** |
| Additions | 179.25 | 63.61 | 153.40 | 0.55 | 2.67 | 5.63 | 75.50 | 480.61 |
| Disposals | - | - | - | - | - | - | 2.01 | 2.01 |
| **Cost as at March 31, 2024 (Consolidated)** | **277.31** | **124.61** | **226.32** | **2.35** | **7.40** | **9.61** | **171.98** | **819.58** |
| **Cost as at April 1, 2024** | **277.31** | **124.61** | **226.32** | **2.35** | **7.40** | **9.61** | **171.98** | **819.58** |
| Additions | - | - | 10.06 | 0.10 | 2.38 | 6.29 | 19.82 | 38.65 |
| Disposals | - | - | - | - | - | - | - | - |
| **Cost as at September 30, 2024 (Consolidated)** | **277.31** | **124.61** | **236.38** | **2.45** | **9.78** | **15.90** | **191.80** | **858.23** |
| | | | | | | | | |
| **Accumulated depreciation as at April 01, 2021 (Standalone)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Depreciation for the year | - | 0.01 | 3.27 | 0.08 | 1.39 | 0.28 | 10.77 | 15.80 |
| Disposals | | - | - | - | - | - | - | - |
| **Accumulated depreciation as at March 31, 2022 (Standalone)** | **-** | **0.01** | **3.27** | **0.08** | **1.39** | **0.28** | **10.77** | **15.80** |
| Depreciation for the year | - | 2.44 | 4.88 | 0.12 | 1.19 | 0.48 | 11.57 | 20.68 |
| Disposals | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at March 31, 2023 (Standalone)** | **-** | **2.45** | **8.15** | **0.20** | **2.58** | **0.76** | **22.34** | **36.48** |
| Depreciation for the year | - | 3.64 | 6.33 | 0.22 | 1.64 | 0.86 | 13.11 | 25.80 |
| Disposals | - | - | - | - | - | - | 0.21 | 0.21 |
| **Accumulated depreciation as at March 31, 2024 (Consolidated)** | **-** | **6.09** | **14.48** | **0.42** | **4.22** | **1.62** | **35.24** | **62.07** |
| **Accumulated depreciation as at April 1, 2024** | **-** | **6.09** | **14.48** | **0.42** | **4.22** | **1.62** | **35.24** | **62.07** |
| Depreciation for the period | - | 2.50 | 7.87 | 0.13 | 0.89 | 0.96 | 9.76 | 22.11 |
| Disposals | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at September 30, 2024 (Consolidated)** | **-** | **8.59** | **22.35** | **0.55** | **5.11** | **2.58** | **45.00** | **84.18** |
| | | | | | | | | |
| **Net carrying amount as at March 31, 2021** | **-** | **-** | **22.92** | **0.52** | **2.34** | **1.46** | **61.41** | **88.65** |
| **Net carrying amount as at March 31, 2022 (Standalone)** | **-** | **33.12** | **56.91** | **0.44** | **2.29** | **2.19** | **86.94** | **181.89** |
| **Net carrying amount as at March 31, 2023 (Standalone)** | **98.06** | **58.55** | **64.77** | **1.60** | **2.15** | **3.22** | **76.15** | **304.50** |
| **Net carrying amount as at March 31, 2024 (Consolidated)** | **277.31** | **118.53** | **211.84** | **1.93** | **3.18** | **7.99** | **136.74** | **757.51** |
| **Net carrying amount as at September 30, 2024 (Consolidated)** | **277.31** | **116.02** | **214.03** | **1.90** | **4.67** | **13.32** | **146.80** | **774.05** |

**Notes:**
(i) The Company has not revalued its property, plant and equipment.
(ii) Refer Note 17.1 for details on property, plant and equipment subject to charge on secured borrowings.
# The Company has elected to continue with the carrying value of its Property, Plant or Equipment recognised as of April 1, 2021 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2021 (Refer 6(i) of Annexure VI)

**5A Capital work-in-progress**

| **Particulars** | **Consolidated As at September 30, 2024** | **Consolidated As at March 31, 2024** | **Standalone As at March 31, 2023** | **Standalone As at March 31, 2022** |
|---|---|---|---|---|
| Capital work-in progress | 31.64 | - | - | - |

**Ageing schedule**
**Projects in progress**

| **Particulars** | **Amount in CWIP for a period of** | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-3years** | **More than 3 years** |
| As at March 31, 2022 (Standalone) | - | - | - | - |
| As at March 31, 2023 (Standalone) | - | - | - | - |
| As at March 31, 2024 (Consolidated) | - | - | - | - |
| As at September 30, 2024 (Consolidated) | 31.64 | - | - | - |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**6 Right of use assets and Lease liabilities**

**Right of Use Assets:**

| **Description** | **Buildings** | **Plant and machinery** | **Total** |
|---|---|---|---|
| **Gross Carrying amount as at April 01, 2021 (Standalone)** | - | - | - |
| **Due to transition to Ind AS 116 on April 1, 2021** | **24.91** | **10.09** | **35.00** |
| Additions | - | - | - |
| Deletions | - | - | - |
| **Balance as at March 31, 2022 (Standalone)** | **24.91** | **10.09** | **35.00** |
| Additions | - | - | - |
| Deletions | - | - | - |
| **Balance as at March 31, 2023 (Standalone)** | **24.91** | **10.09** | **35.00** |
| Additions | 9.27 | - | 9.27 |
| Deletions | - | - | - |
| **Balance as at March 31, 2024 (Consolidated)** | **34.18** | **10.09** | **44.27** |
| Additions | - | - | - |
| Deletions | - | - | - |
| **Balance as at September 30, 2024 (Consolidated)** | **34.18** | **10.09** | **44.27** |
| | | | |
| **Accumulated depreciation as at April 1, 2021** | - | - | - |
| Depreciation for the year | 5.60 | 1.89 | 7.49 |
| **Accumulated depreciation as at March 31, 2022 (Standalone)** | **5.60** | **1.89** | **7.49** |
| Depreciation for the year | 5.60 | 1.89 | **7.49** |
| **Accumulated depreciation as at March 31, 2023 (Standalone)** | **11.20** | **3.78** | **14.98** |
| Depreciation for the year | 7.93 | 1.90 | **9.83** |
| **Accumulated depreciation as at March 31, 2024 (Consolidated)** | **19.13** | **5.68** | **24.81** |
| Depreciation for the period | 4.36 | 0.95 | **5.31** |
| **Accumulated depreciation as at September 30, 2024 (Consolidated)** | **23.49** | **6.63** | **30.12** |
| | | | |
| **Net carrying amount as at March 31, 2022 (Standalone)** | **19.31** | **8.20** | **27.51** |
| **Net carrying amount as at March 31, 2023 (Standalone)** | **13.71** | **6.31** | **20.02** |
| **Net carrying amount as at March 31, 2024 (Consolidated)** | **15.05** | **4.41** | **19.46** |
| **Net carrying amount as at September 30, 2024 (Consolidated)** | **10.69** | **3.46** | **14.15** |

**Lease liabilities:**

**(i) Set out below are the carrying amounts of lease liabilities and the movements during the period/year:**

| | **Consolidated** | **Consolidated** | **Standalone** | **Standalone** |
|---|---|---|---|---|
| **Particulars** | **For the six months period ended September 30, 2024** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
| Balance at the beginning | 21.78 | 22.27 | 28.95 | - |
| Due to transition to Ind AS 116 on April 1, 2021 | - | - | - | 34.83 |
| Additions during the period/year | - | 8.98 | - | - |
| Accrual of interest | 0.90 | 2.32 | 2.40 | 3.00 |
| Interest paid on lease liabilities | (0.90) | (2.32) | (2.40) | (3.00) |
| Payment of lease liabilities | (5.56) | (9.47) | (6.68) | (5.88) |
| **Closing balance** | **16.22** | **21.78** | **22.27** | **28.95** |
| Less: Current lease liabilities | 8.95 | 11.52 | 9.32 | 9.08 |
| Non-current lease liabilities | 7.27 | 10.26 | 12.95 | 19.87 |

| **(ii) Payments recognised as expenses:** | **Consolidated** | **Consolidated** | **Standalone** | **Standalone** |
|---|---|---|---|---|
| **Particulars** | **For the six months period ended September 30, 2024** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
| Short-term leases and low value assets (refer Note 30) | 54.39 | 105.23 | 96.73 | 49.03 |

**Notes:**

**(i) Leases where Company is a lessee**

The Company has lease contracts for buildings, which has lease term between 3 and 6 years. The Company also has lease contracts for plant and machinery, which has lease term of 6 years.

The Company also has certain leases of equipment, machinery and commercial space with lease term up to 12 months. The Company applies the recognition exemptions relating to short-term leases.

(ii) Contractual maturities of lease liabilities on undiscounted basis are disclosed in Note 37.

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**7 Intangible assets**

| Description | Computer Software |
|---|---|
| **Cost as at April 1, 2021 (Standalone)** | **-** |
| Additions | - |
| Disposals | - |
| **Cost as at March 31, 2022 (Standalone)** | - |
| Additions | 0.52 |
| Disposals | - |
| **Cost as at March 31, 2023 (Standalone)** | **0.52** |
| Additions | 1.59 |
| Disposals | - |
| **Cost as at March 31, 2024 (Consolidated)** | **2.11** |
| Additions | 0.27 |
| Disposals | - |
| **Cost as at September 30, 2024 (Consolidated)** | **2.38** |
| | |
| **Accumulated amortisation as at April 1, 2021 (Standalone)** | **-** |
| Amortisation for the year | - |
| Disposals | - |
| **Accumulated amortisation as at March 31, 2022 (Standalone)** | **-** |
| Amortisation for the year | 0.05 |
| Disposals | - |
| **Accumulated amortisation as at March 31, 2023 (Standalone)** | **0.05** |
| Amortisation for the year | 0.22 |
| Disposals | - |
| **Accumulated amortisation as at March 31, 2024 (Consolidated)** | **0.27** |
| Amortisation for the period | 0.21 |
| Disposals | - |
| **Accumulated amortisation as at September 30, 2024 (Consolidated)** | **0.48** |
| | |
| **Net carrying amount as at March 31, 2022 (Standalone)** | - |
| **Net carrying amount as at March 31, 2023 (Standalone)** | **0.47** |
| **Net carrying amount as at March 31, 2024 (Consolidated)** | **1.84** |
| **Net carrying amount as at September 30, 2024 (Consolidated)** | **1.90** |

**Note:**
The Company has not revalued its intangible assets.

*This space is intentionally left blank*

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**8 Investments**

| | Consolidated | | Consolidated | | Standalone | | Standalone | |
|---|---|---|---|---|---|---|---|---|
| | As at September 30, 2024 | | As at March 31, 2024 | | As at March 31, 2023 | | As at March 31, 2022 | |
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| **Non-current** | | | | | | | | |
| **Investment in Associate (accounted using the equity method)** | | | | | | | | |
| **In unquoted equity shares (fully paid up)** | | | | | | | | |
| Ingwenya Mineral Tech Private limited - Equity shares having face value of Rs.10 each | 90,870 | 12.10 | 90,870 | 6.86 | - | - | - | - |
| | | **12.10** | | **6.86** | - | - | - | - |

Refer Note 38 for details

| | Consolidated | | Consolidated | | Standalone | | Standalone | |
|---|---|---|---|---|---|---|---|---|
| **Current** | | | | | | | | |
| **Investments in unquoted mutual funds (carried at fair value through profit and loss)** | | | | | | | | |
| HDFC Short Term Debt-G | 2,75,693.13 | 8.31 | 2,75,693.13 | 7.96 | - | - | - | - |
| | | **8.31** | | **7.96** | - | - | - | - |

**Notes:**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| (a) Aggregate value of unquoted investments in equity shares | 12.10 | 6.86 | - | - |
| (b) Aggregate value of unquoted investments in mutual funds | 8.31 | 7.96 | - | - |
| (c) Change in fair value of the investments in mutual funds during | 0.35 | 0.46 | | |

(d) Refer Note 36 for fair value measurements and Note 37 for information about the Company's exposure to financial risks.
(e) Refer Note 17.1 for details on investments subject to charge on secured borrowings.

**9 Other financial assets (Unsecured, considered good)**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| **Non-current** | | | | |
| Security deposits | 1.64 | 0.97 | 0.17 | 0.35 |
| Deposits with maturity more than 12 months | | | | |
| Margin money deposits with banks* | 14.31 | 23.31 | 44.76 | 36.55 |
| | **15.95** | **24.28** | **44.93** | **36.90** |
| **Current** | | | | |
| Security deposits | 16.97 | 8.37 | 4.94 | 5.23 |
| Interest accrued on fixed deposits with bank | 13.14 | 10.73 | 4.58 | 2.64 |
| Unbilled revenue | 954.11 | 1,005.74 | 474.98 | 337.66 |
| Other receivables | 4.39 | 4.37 | 1.94 | 2.32 |
| | **988.61** | **1,029.21** | **486.44** | **347.85** |

* Margin money deposits held against issuance of bank guarantees and letter of credits provided in favour of customers and suppliers.

**10 Other current assets**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| Advances recoverable in kind or for value to be received | 249.51 | 86.09 | 70.54 | 65.79 |
| Prepaid expenses | 2.91 | 2.46 | 2.00 | 1.16 |
| Employee advances | 8.43 | 14.16 | 16.75 | 13.69 |
| Balance with government authorities | 45.49 | 157.41 | 14.29 | 43.02 |
| Share issue expenses* | 1.30 | - | - | - |
| | **307.64** | **260.12** | **103.58** | **123.66** |

*During the six months ended September 30, 2024, the Company incurred expenses in connection with the proposed Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred till date, except for listing fees which shall be solely borne by the Company, all other expenses will be shared between the Company and the Selling Shareholders on a pro-rata basis, in proportion to the equity shares issued and allotted by the Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

**11 Inventories**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| *All inventories except for scrap are valued at the lower of cost or net realisable value and scrap is valued at net realisable value* | | | | |
| Raw material* | 652.13 | 329.21 | 102.87 | 152.87 |
| Work-in-progress | 11.41 | 330.45 | 335.52 | 161.29 |
| Store and spares | 10.82 | 21.95 | 6.40 | 8.02 |
| Scrap | 8.44 | 1.92 | 1.77 | 2.28 |
| | **682.80** | **683.53** | **446.56** | **324.46** |

* includes goods-in-transit amounting to Rs. 30.92 Mn (March 31, 2024: Rs. 171.32 Mn; March 31, 2023: NIL and March 31, 2022: NIL)
Refer Note 17.1 for details on Inventories subject to charge on secured borrowings.

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**12 Trade receivables**

| | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| **Non-Current** | | | | |
| Unsecured | | | | |
| - Considered good | 130.73 | 80.65 | 39.90 | - |
| | **130.73** | **80.65** | **39.90** | **-** |
| **Current** | | | | |
| Unsecured | | | | |
| - Considered good | 1,710.39 | 1,477.98 | 799.85 | 707.24 |
| - Credit impaired | 146.70 | 141.15 | 149.30 | 107.43 |
| | **1,857.09** | **1,619.13** | **949.15** | **814.67** |
| Less: Allowance for credit impaired trade receivables *(refer note f below)* | (146.70) | (141.15) | (149.30) | (107.43) |
| | **1,710.39** | **1,477.98** | **799.85** | **707.24** |

**Notes:**

(a) Amounts due from related parties out of the above trade receivables (refer note 35)

(b) Trade receivables are non-interest bearing and are generally on credit terms of 0 to 90 days from date of invoicing other than retention money which is due upon expiry of defect liability period. The Company does not hold any collateral security.

(c) Trade receivables includes retention money aggregating to Rs. 161.04 Mn (March 31, 2024: Rs. 90.88 Mn; March 31, 2023: Rs. 78.21 Mn and March 31, 2022: Rs. 0.53 Mn).

(d) Refer Note 37 for information about the Company exposure to financial risks, and details of impairment losses for trade receivables and fair values.

(e) Refer Note 17.1 for details on trade receivables subject to charge on secured borrowings.

**(e) Ageing of Trade receivables**

**As at September 30, 2024**

| Particulars | Non-current but not Due | Current but not Due | Outstanding for following periods from due date of Receipts: Less than 6 Months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | | | | | | | | |
| – considered good | 130.73 | 489.54 | 974.73 | 117.63 | 117.32 | 11.17 | - | 1,841.12 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | 14.12 | 13.11 | 46.62 | 72.85 | - | 146.70 |
| **Disputed trade receivables** | | | | | | | | |
| – considered good | - | - | - | - | - | - | - | - |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Subtotal | 130.73 | 489.54 | 988.85 | 130.74 | 163.94 | 84.02 | - | 1,987.82 |
| Less: Allowance for credit impaired trade receivables | - | - | (14.12) | (13.11) | (46.62) | (72.85) | - | (146.70) |
| **Total** | **130.73** | **489.54** | **974.73** | **117.63** | **117.32** | **11.17** | **-** | **1,841.12** |

**As at March 31, 2024**

| Particulars | Non-current but not Due | Current but not Due | Outstanding for following periods from due date of Receipts: Less than 6 Months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | | | | | | | | |
| – considered good | 80.65 | 965.42 | 226.86 | 73.68 | 159.22 | 52.80 | - | 1,558.63 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | 141.15 | - | 141.15 |
| **Disputed trade receivables** | | | | | | | | |
| – considered good | - | - | - | - | - | - | - | - |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Subtotal | 80.65 | 965.42 | 226.86 | 73.68 | 159.22 | 193.95 | - | 1,699.78 |
| Less: Allowance for credit impaired trade receivables | - | - | - | - | - | (141.15) | - | (141.15) |
| **Total** | **80.65** | **965.42** | **226.86** | **73.68** | **159.22** | **52.80** | **-** | **1,558.63** |

**As at March 31, 2023**

| Particulars | Non-current but not Due | Current but not Due | Outstanding for following periods from due date of Receipts: Less than 6 Months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | | | | | | | | |
| – considered good | 39.90 | 480.25 | 109.88 | 202.27 | 7.45 | - | - | 839.75 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | | 70.50 | 78.80 | - | 149.30 |
| **Disputed trade receivables** | | | | | | | | - |
| – considered good | - | - | - | - | - | - | - | - |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Subtotal | 39.90 | 480.25 | 109.88 | 202.27 | 77.95 | 78.80 | - | 989.05 |
| Less: Allowance for credit impaired trade receivables | - | - | - | - | (70.50) | (78.80) | - | (149.30) |
| **Total** | **39.90** | **480.25** | **109.88** | **202.27** | **7.45** | **-** | **-** | **839.75** |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**As at March 31, 2022**

| Particulars | Non-current but not Due | Current but not Due | Outstanding for following periods from due date of Receipts: Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | | | | | | | | |
| – considered good | - | 0.53 | 584.96 | 51.11 | 56.60 | 14.04 | - | 707.24 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | 107.43 | - | 107.43 |
| **Disputed trade receivables** | | | | | | | | - |
| – considered good | - | - | - | - | - | - | - | - |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Subtotal | - | 0.53 | 584.96 | 51.11 | 56.60 | 121.47 | - | 814.67 |
| Less: Allowance for credit impaired trade receivables | - | - | - | - | - | (107.43) | - | (107.43) |
| **Total** | **-** | **0.53** | **584.96** | **51.11** | **56.60** | **14.04** | **-** | **707.24** |

**(f) Expected credit loss (ECL)**
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit in the normal course of business. Before accepting any new customer, the Company assesses the potential customer's credit quality.

**The movement in the allowance for credit loss:**

| Particulars | Consolidated For the six months ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Opening balance | 141.15 | 149.30 | 107.43 | - |
| On transition to Ind AS | | | | 31.16 |
| Add: Provision created during the period/year | 5.55 | 24.06 | 41.87 | 76.27 |
| Less: Utilised during the period/year | - | (32.21) | - | - |
| **Closing balance** | **146.70** | **141.15** | **149.30** | **107.43** |

(g) Of the trade receivables balance of Rs. 1,249.24 Mn for the six months ended September 30, 2024 (March 31, 2024: Rs 896.12 Mn, March 31, 2023: Rs 604.86 Mn, March 31, 2022 : Rs 540.20 Mn) is due from Company's largest customers individually representing more than 5% of total trade receivables balance.

**13 Cash and cash equivalents**

| | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| Cash on hand | 0.54 | 0.31 | 0.30 | 0.03 |
| Balances with banks: | | | | |
| In current accounts | 0.27 | 0.77 | 0.29 | 0.38 |
| In deposits with original maturity of less than three months | - | - | 250.00 | - |
| | **0.81** | **1.08** | **250.59** | **0.41** |

**14 Bank balances other than cash and cash equivalent**

| | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| Deposits with remaining maturity less than 12 months | | | | |
| Margin money deposits with banks* | 242.60 | 242.27 | 34.09 | 26.32 |
| | **242.60** | **242.27** | **34.09** | **26.32** |

* Margin money deposits held against issuance of bank guarantees and letter of credits provided in favour of customers and suppliers.

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| 15 | Equity share capital | Consolidated<br>As at September 30, 2024 | Consolidated<br>As at March 31, 2024 | Standalone<br>As at March 31, 2023 | Standalone<br>As at March 31, 2022 |
|---|---|---|---|---|---|
| | **Authorized share capital *** | | | | |
| | 3,50,00,000 (March 31, 2024: 3,50,00,000; March 31, 2023: 2,00,00,000 and March 31, 2022: 1,00,00,000) equity shares of Rs. 10 each | 350.00 | 350.00 | 200.00 | 100.00 |
| | **Issued, subscribed and fully paid up *** | | | | |
| | 2,00,00,000 (March 31, 2024: 2,00,00,000; March 31, 2023: 1,90,00,000 and March 31, 2022: 90,00,000) equity shares of Rs. 10 each | 200.00 | 200.00 | 190.00 | 90.00 |
| | | **200.00** | **200.00** | **190.00** | **90.00** |

* Refer note 42 (ii) Events after the reporting period on the split of Equity Shares.

**Notes:**

**i) Reconciliation of Authorised equity shares at the beginning and at the end of the period/year:**

| Particulars | Consolidated<br>September 30, 2024 | | Consolidated<br>March 31, 2024 | | Standalone<br>March 31, 2023 | | Standalone<br>As at March 31, 2022 | |
|---|---|---|---|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the period/year | 3,50,00,000 | 350.00 | 2,00,00,000 | 200.00 | 1,00,00,000 | 100.00 | 1,00,00,000 | 100.00 |
| Add: Increase in Authorised Capital (refer notes below) | - | - | 1,50,00,000 | 150.00 | 1,00,00,000 | 100.00 | - | - |
| **Outstanding at the end of the period/year** | **3,50,00,000** | **350.00** | **3,50,00,000** | **350.00** | **2,00,00,000** | **200.00** | **1,00,00,000** | **100.00** |

**Notes:**

a) Shareholders vide the Extra-ordinary general meeting dated March 30, 2024 have approved increase in Authorised Equity Share Capital of the Company from Rs. 200.00 Mn divided into 20,000,000 Equity shares of Rs.10 each to Rs. 350.00 Mn divided into 3,50,00,000 Equity shares of Rs.10 each by addition of 1,50,00,000 equity shares of Rs. 10 each, ranking pari-passu with existing shares of the Company.

b) Shareholders vide the Extra-ordinary general meeting dated November 23, 2022 have approved increase in Authorised Equity Share Capital of the Company from Rs.100 Mn divided into 1,00,00,000 Equity shares of Rs.10 each to Rs. 200.00 Mn divided into 2,00,00,000 Equity shares of Rs.10 each by addition of 1,00,00,000 equity shares of Rs. 10 each, ranking pari-passu with existing shares of the Company.

**ii) Reconciliation of equity shares outstanding at the beginning and at the end of the period/year:**

| Particulars | Consolidated<br>For the six months period ended September 30, 2024 | | Consolidated<br>For the year ended March 31, 2024 | | Standalone<br>For the year ended March 31, 2023 | | Standalone<br>For the year ended March 31, 2022 | |
|---|---|---|---|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the period/year | 2,00,00,000 | 200.00 | 1,90,00,000 | 190.00 | 90,00,000 | 90.00 | 90,00,000 | 90.00 |
| Add: Issue during the period/year (Refer notes below) | - | - | 10,00,000 | 10.00 | 1,00,00,000 | 100.00 | - | - |
| **Outstanding at the end of the period/year** | **2,00,00,000** | **200.00** | **2,00,00,000** | **200.00** | **1,90,00,000** | **190.00** | **90,00,000** | **90.00** |

**Notes:**

a) During FY 2022-23 vide board resolution dated December 24, 2022, the Company has issued 1,00,00,000 Equity shares with a face value of Rs.10 each at issue price of Rs.10 per equity share amounting to Rs. 100.00 Mn (Refer note 35).

b) During FY 2023-24 vide board resolution dated March 28, 2024, the Company has issued 10,00,000 Equity shares with a face value of Rs. 10 each at issue price of Rs. 250 per equity share with premium of Rs. 240 per share.

**iii) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share (post split Rs. 5 per share- Refer note 42 (ii) for details) . Each shareholder is entitled to one vote per share. The Company declares and pays dividend 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 Company, the holders of equity shares will be entitled to receive remaining assets of the 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% shares of the aggregate shares of the Company:**

| Name of shareholder | Consolidated<br>As at September 30, 2024 | | Consolidated<br>As at March 31, 2024 | | Standalone<br>As at March 31, 2023 | | Standalone<br>As at March 31, 2022 | |
|---|---|---|---|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding |
| Mr. Chandra Sekhar Moturu* | 1,79,99,950 | 90.00% | 1,79,99,950 | 90.00% | 1,71,00,000 | 90.00% | 81,00,000 | 90.00% |
| Mr. Ragdeep Moturu | 20,00,000 | 10.00% | 20,00,000 | 10.00% | 19,00,000 | 10.00% | 9,00,000 | 10.00% |

* % holding as of September 30, 2024 and March 31, 2024 - 89.9998% are rounded off to 90.00%.

| v) Shareholding of promoters<br>Name of promoter | Consolidated<br>As at September 30, 2024 | | Consolidated<br>As at March 31, 2024 | | % change during the period |
|---|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding | |
| Mr. Chandra Sekhar Moturu* | 1,79,99,950 | 90.00% | 1,79,99,950 | 90.00% | - |
| Mr. Ragdeep Moturu | 20,00,000 | 10.00% | 20,00,000 | 10.00% | - |
| Mrs. Krishna Kumari Moturu# | 10 | 0.00% | - | - | 100.00% |
| Mr. Arundeep Moturu# | 10 | 0.00% | - | - | 100.00% |

* % holding as of September 30, 2024 and March 31, 2024 - 89.9998% are rounded off to 90.00%.
\# Shares are transferred during FY 2023-24 vide resolution March 28, 2024 to the respective shareholders as indicate above, however the shareholders are categorised in the capacity of promoters vide board resolution dated September 17, 2024.

| Name of promoter | Consolidated<br>As at March 31, 2024 | | Standalone<br>As at March 31, 2023 | | % change during the period |
|---|---|---|---|---|---|
| | No. of shares | % holding | No of shares | % holding | |
| Mr. Chandra Sekhar Moturu* | 1,79,99,950 | 90.00% | 1,71,00,000 | 90.00% | 0.00% |
| Mr. Ragdeep Moturu | 20,00,000 | 10.00% | 19,00,000 | 10.00% | - |

* % holding as of March 31, 2024 - 89.9998% are rounded off to 90.00%.

| Name of promoter | Standalone<br>As at March 31, 2023 | | Standalone<br>As at March 31, 2022 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % holding | No. of shares | % holding | |
| Mr. Chandra Sekhar Moturu | 1,71,00,000 | 90.00% | 81,00,000 | 90.00% | - |
| Mr. Ragdeep Moturu | 19,00,000 | 10.00% | 9,00,000 | 10.00% | - |

| Name of promoter | Standalone<br>As at March 31, 2022 | | Standalone<br>As at April 1, 2021 | | % change during the year |
|---|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding | |
| Mr. Chandra Sekhar Moturu | 81,00,000 | 90.00% | 81,00,000 | 90.00% | - |
| Mr. Ragdeep Moturu | 9,00,000 | 10.00% | 9,00,000 | 10.00% | - |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**16 Other equity**

| | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| **Reserves and surplus** | | | | |
| Securities premium [Refer Note (i) below] | 240.00 | 240.00 | - | - |
| Retained earnings [Refer Note (ii) below] | 586.93 | 430.96 | 139.91 | 30.78 |
| **Other comprehensive income** | | | | |
| Remeasurement of net defined benefit plan [Refer Note (iii) below] | 4.04 | 2.15 | 1.40 | - |
| **Total other equity** | **830.97** | **673.11** | **141.31** | **30.78** |

**Notes:**

| Movement in reserves and surplus | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| **(i) Securities premium** | | | | |
| Balance at the beginning of the period/year | 240.00 | - | - | - |
| Add: Issue of equity shares (refer note 15) | - | 240.00 | - | - |
| **Balance at the end of the period/year** | **240.00** | **240.00** | **-** | **-** |
| **(ii) Retained earnings** | | | | |
| Balance at the beginning of the period/year | 430.96 | 139.91 | 30.78 | 41.93 |
| Add: Adjustment on account of Ind AS (Refer Annexure VI) | - | - | - | (24.01) |
| Add: Net profit for the period/year | 155.97 | 291.05 | 109.13 | 12.86 |
| **Balance at the end of the period/year** | **586.93** | **430.96** | **139.91** | **30.78** |
| **(iii) Other comprehensive income (OCI)** | | | | |
| **Remeasurement of defined benefit obligations (liability net of tax)** | | | | |
| Balance at the beginning of the period/year | 2.15 | 1.40 | - | - |
| Add : Changes during the period/year | 1.89 | 0.75 | 1.40 | - |
| **Balance at the end of the period/year** | **4.04** | **2.15** | **1.40** | **-** |

**16.1 Nature of reserves:**

**(a) Securities premium**

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the section 52 of the Act.

**(b) Retained earnings**

Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Act.

**(c) Other comprehensive income (OCI)**

Remeasurement of defined benefit plan include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**17 Borrowings**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
| **Non current (at amortised cost)** | | | | |
| **Secured** | | | | |
| **a. Term loans** | | | | |
| (i) From banks | 205.90 | 223.26 | 60.62 | 57.41 |
| (ii) From non-banking financial companies | 25.02 | 28.19 | - | - |
| **b. Vehicle and equipment loans** | | | | |
| (i) From banks | 94.64 | 86.69 | 27.89 | 28.77 |
| (ii) From non-banking financial companies | 28.89 | 32.96 | 10.58 | 12.67 |
| **Unsecured** | | | | |
| **a. Term loans** | | | | |
| (i) From non-banking financial companies | 11.89 | 15.22 | - | - |
| **b. Working Capital - Business loans** | | | | |
| (i) From banks | 3.21 | 6.55 | 21.92 | 59.14 |
| (ii) From non-banking financial companies | 69.78 | 36.89 | 40.80 | 49.53 |
| **c. Loan from others** | | | | |
| (i) Inter-corporate loan | - | 59.49 | 66.85 | 74.57 |
| Less: Current maturities of long-term borrowings | (151.31) | (117.54) | (73.85) | (69.71) |
| **Total non current borrowings** | **288.02** | **371.71** | **154.81** | **212.38** |
| **Current (at amortised cost)** | **439.33** | | | |
| **Secured** | | | | |
| **a. Loans repayable on demand from banks** | | | | |
| (i) Working capital demand loans | 205.57 | 213.31 | 61.60 | 65.00 |
| (ii) Cash credit facilities | 531.37 | 453.40 | 445.49 | 148.01 |
| **b. Working capital facility - channel finance** | | | | |
| (i) From non-banking financial companies | 107.51 | 106.89 | 45.27 | - |
| **Unsecured** | | | | |
| **a. Working capital facility - channel finance** | | | | |
| (i) From non-banking financial companies | 125.61 | 155.15 | 142.37 | 38.16 |
| (ii) Through TReDs platform | 481.62 | 431.19 | - | - |
| **b. Repayable on demand** | | | | |
| (i) From related parties | 3.53 | 1.40 | 109.53 | 198.91 |
| (ii) From others | 1.78 | - | - | 14.74 |
| Add: Current maturities of long-term borrowings | 151.31 | 117.54 | 73.85 | 69.71 |
| **Total current borrowings** | **1,608.30** | **1,478.88** | **878.11** | **534.53** |

Refer Note 36 for fair value measurements and Note 37 for information about the Company's exposure to financial risks.

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**17.1 Summary of borrowing terms:**
The repayment terms and maturity terms of borrowings as stated below :

| Non current borrowings | | | | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|---|---|---|
| **Particulars** | **Rate of interest (%)** | **Number of equal Instalments** | **Maturity year** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
| **Secured** | | | | | | | |
| **a. Term loans (Refer Note 1 below)** | | | | | | | |
| **(i) From banks** | | | | | | | |
| HDFC Bank Limited | 9.30% | 21 to 69 months | January 2025 to April 2027 | 34.50 | 43.77 | 60.62 | 57.41 |
| ICICI Bank Limited | 10.00% | 114 months | October 2033 | 140.84 | 145.96 | - | - |
| Yes Bank Limited | 9.80% | 46 months | February 2028 | 30.56 | 33.53 | - | - |
| **(ii) From non-banking financial companies (Refer Note 2 below)** | | | | | | | |
| Tata Capital Financial Services Limited | 11.45% | 60 months | August 2028 | 25.02 | 28.19 | - | - |
| **b. Vehicle and Equipment Loans (Refer Note 3 below)** | | | | | | | |
| **(i) From banks** | | | | | | | |
| HDFC Bank Limited | 8.50% to 10.02% | 12 to 39 months | December 2023 to December 2027 | 71.47 | 67.57 | 0.53 | - |
| Yes Bank Limited | 7.50% to 10.50% | 27 to 48 months | April 2022 to April 2028 | 23.17 | 19.12 | 27.36 | 28.77 |
| **(ii) From non-banking financial companies** | | | | | | | |
| Sundaram Finance Limited | 11.25% to 17.35% | 59 to 60 months | December 2026 to July 2028 | 22.74 | 25.57 | 10.58 | 12.67 |
| Toyota Financial Services Private Limited | 6.99% | 36 months | December 2026 | 6.15 | 7.39 | - | - |
| **Unsecured** | | | | | | | |
| **a. Term loans from NBFC** | | | | | | | |
| Tata Capital Financial Services Limited | 11.70% to 12.25% | 36 months | May 2026 to July 2026 | 11.89 | 15.22 | - | - |
| **b. Working capital - Business Loans** | | | | | | | |
| **(i) From banks** | | | | | | | |
| Axis Bank Limited | 9.25% to 16% | 36 to 48 months | June 2024 to February 2025 | 0.70 | 1.51 | 3.24 | 4.65 |
| HDFC Bank Limited | 9.25% to 15% | 36 to 48 months | September 2022 to March 2025 | 1.49 | 2.88 | 5.36 | 27.90 |
| Unity Small finance Bank limited | 17.50% | 36 months | March 2025 | 1.02 | 1.96 | 3.54 | 5.00 |
| IDFC First Bank (Capital First Limited) | 9.25% to 17.50% | 36 to 48 months | December 2022 to August 2024 | - | 0.20 | 0.81 | 3.88 |
| Others | 9.25% to 18% | 24 to 48 months | January 2023 to March 2024 | - | - | 8.97 | 17.71 |
| **(ii) From non-banking financial companies** | | | | | | | |
| Oxyzo financial services Private Limited | 14.50% | 18 months | October 2023 to March 2025 | 68.10 | 32.66 | 19.66 | 11.50 |
| Other NBFCs | 11.25% to 19.00% | 18 to 48 months | December 2021 to March 2025 | 1.68 | 4.23 | 21.14 | 38.03 |
| **c. Loan from others- (Refer note 8 below)** | | | | | | | |
| Inter-corporate loan*(EIR- 9.5%) | 6.00% * | 36 months | April 2025 to March 2027 | - | 59.49 | 66.85 | 74.57 |
| Less: Current maturities of long-term borrowings | | | | (151.31) | (117.54) | (73.85) | (69.71) |
| **Total** | | | | **288.02** | **371.71** | **154.81** | **212.38** |

| Current borrowings | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| **Particulars** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
| **Secured** | | | | |
| **a. Loans repayable on demand from banks** | | | | |
| **(i) Working Capital Demand Loan (Refer Note 1 below)** | | | | |
| WCDL from HDFC Bank Limited | 205.57 | 213.31 | 61.60 | 65.00 |
| **(ii) Cash Credit (Refer Note 1 and 4 below)** | | | | |
| HDFC Bank Limited | 140.94 | 116.34 | 137.79 | 140.66 |
| ICICI Bank Limited | 91.26 | 37.77 | 45.50 | 7.35 |
| State Bank of India | 299.17 | 299.29 | 262.20 | - |
| **b. Working capital - Channel Finance (Refer Note 5 below)** | | | | |
| Tata Capital Financial Services Limited | 107.51 | 106.89 | 45.27 | - |
| **Unsecured** | | | | |
| **a. Working capital - Channel Finance- (Refer note 6 below)** | | | | |
| **(i) From non-banking financial companies** | | | | |
| Aditya Birla Capital Limited | 38.08 | 54.97 | 30.06 | - |
| Oxyzo Financial Services Private Limited | 87.53 | 100.18 | 112.31 | 38.16 |
| **(ii) Through TreDs platform** | | | | |
| Receivables Exchange of India Limited | 351.16 | 293.36 | - | - |
| A.TREDS Limited | 130.46 | 137.83 | - | - |
| **b. Repayable on demand** | | | | |
| From related parties- (Refer note7 below) | 3.53 | 1.40 | 109.53 | 198.91 |
| From others - (Refer note 8 below) | 1.78 | - | - | 14.74 |
| Add: Current maturities of long-term borrowings | 151.31 | 117.54 | 73.85 | 69.71 |
| **Total** | **1,608.30** | **1,478.88** | **878.11** | **534.53** |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**Notes:**

**1. Term Loan/Working Capital Demand Loan/Cash Credit**

***(i) Term Loan/Working Capital Demand Loan/Cash Credit from HDFC Bank Limited***

(a) Primary Security: Current Assets (Stock, Book Debtors), Plant & Machinery, Fixed deposit for Letter of credit, Bank guarantee, personal guarantee from directors and relative of directors.
(b) Collateral Security: One Immovable propoerty situated at Plot No. 345/A, SY No. 403/1, Road No. 12, Banjara Hills, Hyderabad, Telangana owned by relative of director and additional three immovable properties given as co-collateral along with ICICI Bank Limited owned by Directors the company as follows:
1. Residential Property/House Bearing, Road No. 3, Banjara Hills - 500034, Hyderabad, Telangana, India.
2. Residential Land and Building, Serilingampally Mandal, SY No. 21, Situated at Khajaguda Village, Khajaguda - 500 019, Rangareddy, Telangana, India.
3. Residential Land & Building Medchal Mandal, RR District in Residential Situated at SY No. 258, Gundlapochampally Village, Medchal Mandal - 501401, Peddapalli, Telangana India.,

(c) Working capital demand loan and cash credit carry interest rate of 9.35% p.a each and repayable on demand and the tenure ranging upto 365 days.
(d) Personal guarantee has been provided by Chandrasekhar Moturu, Ragdeep Moturu, Neeraja Ravi and Sailaja Moturu.

***(ii) Term Loan/Cash Credit from ICICI Bank Limited***

(a) Exclusive charge on movable fixed assets, Company's immovable property located at Visakhapatnam, Andhra Pradesh, India and first paripassu on current assets and
(b) Collateral Security: Three immovable properties given as co-collateral along with HDFC Bank Limited owned by Directors the company as follows:
1. Residential Property/House Bearing, Road No. 3, Banjara Hills - 500034, Hyderabad, Telangana, India.
2. Residential Land and Building, Serilingampally Mandal, SY No. 21, Situated at Khajaguda Village, Khajaguda - 500 019, Rangareddy, Telangana, India.
3. Residential Land & Building Medchal Mandal, RR District in Residential Situated at SY No. 258, Gundlapochampally Village, Medchal Mandal - 501401, Peddapalli, Telangana India.,

(c) Cash credit facility carry interest at repo rate 6.50% plus spread of 3.25% p.a and repayable on demand and the tenure ranging upto 365 days.
(d) Personal guarantee has been provided by Mr. Chandrasekhar Moturu, Mrs. Sailaja Moturu, and Mr. Ragdeep Moturu

***(iii) Term Loan from Yes Bank Limited***

Term loan carry First and exclusive charge through hypothecation on the assets purchased from loan proceeds.

**2. Term loan from NBFC- (Secured)**
Tata Capital loan is secured under the mortgage of Industrial property situated at shed no.6, Sy No.457, Phase-III, IDA Patancheru, Sangareddy District, Telangana.

**3. Vehicle and Equipment loan from Bank and NBFC (Secured):**
Security provided for the vehicle and equipment loans are the underlying assets for which loan has been obtained. First and exclusive charge through hypothecation on the assets purchased from loan proceeds.

**4. Credit facility from SBI Bank (Secured)**
(i) First paripassu charge on stock and receivables
(ii) Collateral security on equitable mortgage of industrial land with sheds constructed thereon at Pashamylaram, Sangareddy.
(iii) Interest rate of 10.14% p.a and repayable on demad and the tenure ranging upto 365 days.
(iv) Personal guarantee has been provided by Mr. Chandrasekhar Moturu and Mr. Ragdeep Moturu.

**5. Working Capital/Channel Finance (Secured):**
(i) Primary charge on stocks and receivables funded out of Tata Capital Financial Services Limited. Collateral - Security on liquid funds i.e. mutual funds.
(ii) Tata Capital loan is secured under the mortgage of Industrial property situated at shed no.6, Sy No.457, Phase-III, IDA Patancheru, Sangareddy District, Telangana
(iii) Personal guarantee provided by Mr. Chandra Sekhar Moturu and Mr. Ragdeed Moturu

**6. Facility through TreDs platform / other NBFCs:**
Interest ranging from 9.50% p.a to 14.50% p.a , with a credit period ranging from 45 to 120 days.

**7. Loan from related parties and others**
Interest free loan from related parties and others are repayable on demand.

**8. Inter Corporate loan**
Inter Corporate loan are obtained at the rate of interest of 6.00% per annum for a period extending upto 3 years and repayable along with interest. Interest is repayable as and when demanded by the lender.

**9. Non-fund facilities from HDFC Bank Limited/ICICI Bank Limited/State Bank of India**
(i) The tenure of bank guarantees typically ranges from 3 months to 36 months, while the maximum tenor for letter of credit upto 180 days.
(ii) Commissions on bank guarantees typically ranges from 0.75% p.a to 2.75% p.a, while commissions for letters of credit ranges from 0.70% p.a to 1.40% p.a.

10. The Company has not defaulted on working capital loan or any other loan payables.

**11. Utilisation of borrowings availed from banks and financial institutions**
The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

**12. Details of borrowings guaranteed by Directors and others:**

| Particulars | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| Directors | 710.14 | 721.08 | 587.63 | 178.82 |
| Directors and Relative of Directors | 472.17 | 440.81 | 167.72 | 129.76 |

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**18 Trade payables**

| | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| Trade payables | | | | |
| - Total outstanding dues of micro enterprises and small enterprises (MSME) | 118.06 | 1,028.37 | 348.70 | 186.43 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,597.14 | 670.00 | 457.22 | 340.75 |
| **Total trade payables** | **1,715.20** | **1,698.37** | **805.92** | **527.18** |

**Note:**
Amounts due to related parties out of the above trade payable (refer note 35)
Refer Note 37 for information about the Company's exposure to financial risks.
Trade payables are non-interest bearing and are normally settled within 0 to 90 days.

**18.1 Trade payables ageing schedule**
**As at September 30, 2024**

| 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 | 65.86 | 52.20 | - | - | - | 118.06 |
| (ii) Disputed dues – MSME | - | - | - | - | - | - |
| (iii) Others | 831.04 | 676.98 | 36.93 | 37.51 | 14.68 | 1,597.14 |
| (iv)Disputed dues - Others | - | - | - | - | - | - |
| | **896.90** | **729.18** | **36.93** | **37.51** | **14.68** | **1,715.20** |

**March 31, 2024**

| 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 | 976.46 | 51.91 | - | - | - | 1,028.37 |
| (ii) Disputed dues – MSME | - | - | - | - | - | - |
| (iii) Others | 494.25 | 112.13 | 39.49 | 23.36 | 0.77 | 670.00 |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **1,470.71** | **164.04** | **39.49** | **23.36** | **0.77** | **1,698.37** |

`

**March 31, 2023**

| 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 | 314.53 | 31.70 | 2.42 | 0.05 | - | 348.70 |
| (ii) Disputed dues – MSME | - | - | - | - | - | - |
| (iii) Others | 367.77 | 53.71 | 18.96 | 16.78 | - | 457.22 |
| (iv)Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **682.30** | **85.41** | **21.38** | **16.83** | **-** | **805.92** |

**As at March 31, 2022**

| 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 | 149.19 | 36.91 | 0.33 | - | - | 186.43 |
| (ii) Disputed dues – MSME | - | - | - | - | - | - |
| (iii) Others | 286.30 | 32.99 | 21.46 | - | - | 340.75 |
| (iv)Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **435.49** | **69.90** | **21.79** | **-** | **-** | **527.18** |

**18.2** Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,2006: The following are amounts due to micro and small enterprises as defined in 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 is as follows:

| Particulars | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| (i) Principal amount remaining unpaid to any supplier at the end of period/year* | 118.06 | 1,028.37 | 348.70 | 186.43 |
| (ii) Interest due thereon remaining unpaid to any supplier at the end of period/year | - | - | - | - |
| (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 period/year to suppliers under MSMED | - | - | - | - |

* includes payables not due

*This space is intentionally left blank*

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**19 Other financial liabilities**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| **Current** | | | | |
| Employee dues | 20.38 | 21.56 | 14.76 | 10.96 |
| Retention money | 6.46 | 56.42 | 0.99 | 0.99 |
| | **26.84** | **77.98** | **15.75** | **11.95** |

**20 Other current liabilities**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| Statutory dues payable | 27.77 | 20.76 | 7.79 | 22.42 |
| Advance from customers | 200.45 | 59.14 | 339.66 | 333.13 |
| | **228.22** | **79.90** | **347.45** | **355.55** |

**21 Provisions**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| **Non-current** | | | | |
| Employee benefit obligation (refer Note 33) | | | | |
| Provision for gratuity | 11.76 | 13.03 | 10.22 | 10.03 |
| | **11.76** | **13.03** | **10.22** | **10.03** |
| **Current** | | | | |
| Employee benefit obligation (refer Note 33) | | | | |
| Provision for gratuity | 2.00 | 1.91 | 1.38 | 0.76 |
| Provision for compensated absences | 3.33 | - | - | - |
| | **5.33** | **1.91** | **1.38** | **0.76** |

**22 Income tax assets / (liabilities), net**

| | Consolidated | Consolidated | Standalone | Standalone |
|---|---|---|---|---|
| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
| Advance tax / TDS | 134.63 | 103.67 | 49.91 | 23.82 |
| Less: Provision for taxes | 153.67 | 108.64 | 49.02 | 23.60 |
| | **(19.04)** | **(4.97)** | **0.89** | **0.22** |

Refer Note 31 for tax expense details.

*This space is intentionally left blank*

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| 23 Revenue from operations | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Revenue from contract with customers | 2,864.51 | 6,205.07 | 3,306.40 | 2,168.64 |
| Other operating revenue | | | | |
| Scrap sale | 18.31 | 4.83 | 6.12 | - |
| | **2,882.82** | **6,209.90** | **3,312.52** | **2,168.64** |

**23.1 Disaggregated revenue information**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major revenue streams and timing of revenue recognition.

| | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Primary geographical market** | | | | |
| In India | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |
| Outside India | - | - | - | - |
| | **2,882.82** | **6,209.90** | **3,312.52** | **2,168.64** |
| **Major revenue streams** | | | | |
| Pre-engineered building | 1,447.20 | 3,111.75 | 1,353.83 | 1,556.62 |
| Material handling systems | 705.41 | 1,221.21 | 1,508.47 | 329.35 |
| Engineering Services | 711.90 | 1,872.11 | 444.10 | 282.67 |
| Other | 18.31 | 4.83 | 6.12 | - |
| | **2,882.82** | **6,209.90** | **3,312.52** | **2,168.64** |
| **Timing of revenue recognition** | | | | |
| At a point in time | 18.31 | 4.83 | 6.12 | - |
| Over time | 2,864.51 | 6,205.07 | 3,306.40 | 2,168.64 |
| | **2,882.82** | **6,209.90** | **3,312.52** | **2,168.64** |

**23.2 Information about major customers (from external customers)**

For the six months ended September 30, 2024 the Company has derived revenue from 2 customers totalling to Rs. 981.48 Mn (For the year ended March 31, 2024- 3 customers totalling to Rs. 3,370.57 Mn, For the year ended March 31, 2023- 4 Customers totalling to Rs. 1,846.44 Mn; and For the year ended March 31, 2022- 2 Customers totalling to Rs. 813.02 Mn) contributing individually 10% or more of the total revenue.

| 23.3 Contract balances | Consolidated As at September 30, 2024 | Consolidated As at March 31, 2024 | Standalone As at March 31, 2023 | Standalone As at March 31, 2022 |
|---|---|---|---|---|
| Trade receivables (refer Note 12) | 1,841.12 | 1,558.63 | 839.75 | 707.24 |
| Contract assets (refer Note 9) | 954.11 | 1,005.74 | 474.98 | 337.66 |
| Contract liabilities (refer Note 20) | 200.45 | 59.14 | 339.66 | 333.13 |

| 24 Other income | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Interest income earned on financial assets | | | | |
| - Bank deposits | 4.83 | 8.97 | 4.62 | 2.57 |
| - Other interest income | 0.08 | 0.12 | 0.05 | 0.04 |
| Net gain on financial assets designated on FVTPL | 0.35 | 0.46 | - | - |
| Fair value gain on financial liabilities | - | - | - | 5.43 |
| Liabilities no longer required written back | 6.00 | 8.92 | - | - |
| Miscellaneous income | - | - | 0.03 | - |
| | **11.26** | **18.47** | **4.70** | **8.04** |

| 25 Cost of materials consumed | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Inventory at the beginning of the period/year | 329.21 | 102.87 | 152.87 | 30.90 |
| Add: Purchases | 1,773.68 | 4,306.82 | 2,120.91 | 1,582.03 |
| Less: Inventory at the end of the period/year | (652.13) | (329.21) | (102.87) | (152.87) |
| | **1,450.76** | **4,080.48** | **2,170.91** | **1,460.06** |

| 26 Changes in inventories of work-in-progress | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Inventories at the beginning of the period/year** | | | | |
| Work-in-progress | 330.45 | 335.52 | 161.29 | 125.72 |
| Scrap | 1.92 | 1.77 | 2.28 | - |
| **Inventories at the ending of the period/year** | | | | |
| Work-in-progress | (11.41) | (330.45) | (335.52) | (161.29) |
| Scrap | (8.44) | (1.92) | (1.77) | (2.28) |
| **Net decrease/ (increase)** | **312.52** | **4.92** | **(173.72)** | **(37.85)** |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| 27 | Employee benefits expense | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| | Salaries, wages and bonus | 149.39 | 232.56 | 182.02 | 117.08 |
| | Contribution to provident and other funds (refer Note 33) | 7.04 | 12.65 | 11.40 | 10.31 |
| | Gratuity (refer Note 33) | 2.54 | 5.27 | 3.01 | 10.91 |
| | Staff welfare expenses | 7.11 | 22.08 | 8.18 | 4.37 |
| | | **166.08** | **272.56** | **204.61** | **142.67** |

| 28 | Finance costs | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| | Interest expense on | | | | |
| | Borrowings measured at amortised cost | 95.31 | 144.13 | 67.19 | 40.96 |
| | Lease liabilities | 0.90 | 2.32 | 2.41 | 3.00 |
| | Income tax | - | 3.07 | - | - |
| | Other borrowing costs | 18.27 | 6.49 | 2.84 | 6.17 |
| | | **114.48** | **156.01** | **72.44** | **50.13** |

| 29 | Depreciation and amortisation expense | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| | Depreciation on property, plant and equipment (refer Note 5) | 22.11 | 25.80 | 20.68 | 15.79 |
| | Depreciation on right-of-use assets (refer Note 6) | 5.31 | 9.83 | 7.49 | 7.49 |
| | Amortisation of intangible assets (refer Note 7) | 0.21 | 0.22 | 0.05 | - |
| | | **27.63** | **35.85** | **28.22** | **23.28** |

| 30 | Other expenses | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| | Job work, installation and erection charges | 324.61 | 546.91 | 330.02 | 110.15 |
| | Labour charges | 48.26 | 295.84 | 142.99 | 122.42 |
| | Freight charges | 54.75 | 120.16 | 50.87 | 45.10 |
| | Rent | 54.39 | 105.23 | 96.73 | 49.03 |
| | Loading and unloading Charges | 1.17 | 4.03 | 1.67 | 3.41 |
| | Material testing charges | 2.54 | 2.17 | 0.73 | 0.23 |
| | Sand blasting charges | 6.18 | 11.27 | 6.20 | 10.25 |
| | Site civil works | 36.64 | 29.27 | 16.83 | 22.24 |
| | Security charges | 5.71 | 7.18 | 4.18 | 3.05 |
| | Stores and spares consumption | 15.12 | 5.08 | 7.36 | 26.32 |
| | Power and fuel | 26.03 | 24.93 | 21.18 | 11.37 |
| | Transportation charges | 1.39 | 6.70 | 4.18 | 5.18 |
| | Repair and maintenance | 8.19 | 19.75 | 15.38 | 12.32 |
| | Loss on sale of property, plant and equipment | - | - | 0.18 | - |
| | Legal and professional charges | 5.26 | 8.70 | 60.21 | 3.49 |
| | Travelling and conveyance expenses | 3.95 | 7.24 | 4.49 | 6.29 |
| | Bank charges | 0.41 | 5.52 | 6.73 | 0.68 |
| | Auditor's remuneration | 1.40 | 3.85 | 0.60 | 0.30 |
| | Rates and taxes | 5.20 | 10.92 | 3.37 | 4.97 |
| | Expenditure for corporate social responsibility (Refer note 32) | 2.28 | 2.18 | 1.38 | 1.13 |
| | Provision for credit impaired trade receivables | 5.55 | 24.07 | 41.87 | 76.27 |
| | Credit impaired trade receivables written off | - | - | 32.49 | 0.03 |
| | Miscellaneous expenses | 10.34 | 24.33 | 17.19 | 6.61 |
| | | **619.37** | **1,265.33** | **866.83** | **520.84** |

| 30.1 | Auditor's remuneration | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| | Statutory audit | 1.40 | 2.75 | 0.50 | 0.20 |
| | Tax audit | - | 0.10 | 0.10 | 0.10 |
| | Other services* | 1.30 | 1.00 | - | - |
| | | **2.70** | **3.85** | **0.60** | **0.30** |

Note: Amount given above excluding Goods and Service tax.
* for the six months ended September 30, 2024 included in Share issue expenses receivable under note 10

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**31 Tax expense**

**(A) Income tax expense recognised in the Statement of profit and loss:**

| Particulars | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Current tax:** | | | | |
| Current tax for the period/year | 52.47 | 101.20 | 49.02 | 23.68 |
| Adjustment of income tax relating to earlier years (net) | - | 16.12 | - | - |
| **Deferred tax:** | | | | |
| Deferred tax for the period/year | 0.04 | 6.26 | (10.22) | (18.99) |
| **Income tax expense recognised in the statement of profit or loss** | **52.51** | **123.58** | **38.80** | **4.69** |

**(B) Income tax expense charged to other comprehensive income (OCI):**

| Particulars | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Income tax impact on re-measurement of defined benefit plans | (0.63) | (0.25) | (0.47) | - |
| **Income tax charged to OCI** | **(0.63)** | **(0.25)** | **(0.47)** | - |

**(C) Reconciliation of effective tax rate**

| Particulars | Consolidated For the six months period ended September 30, 2024 | Consolidated For the year ended March 31, 2024 | Standalone For the year ended March 31, 2023 | Standalone For the year ended March 31, 2022 |
|---|---|---|---|---|
| Profit before tax | 208.48 | 414.63 | 147.93 | 17.55 |
| Tax rate applicable to the Company | 25.17% | 25.17% | 25.17% | 25.17% |
| **Estimated tax expense on profit** | **52.47** | **104.35** | **37.23** | **4.42** |
| Adjustment of income tax relating to earlier years (net) | - | 16.12 | - | - |
| Tax effect of expenditure disallowed under income tax | 1.92 | 3.08 | 0.35 | 0.28 |
| Others | (1.88) | 0.03 | 1.22 | (0.01) |
| **Income tax expense** | **52.51** | **123.58** | **38.80** | **4.69** |

**(D) Movement in deferred tax assets and deferred tax liabilities from March 31, 2024 to September 30, 2024:**

| Particulars | As at March 31, 2024 | Credit/ (charge) in the Statement of Profit and Loss | Credit/ (charge) in OCI | As at September 30, 2024 |
|---|---|---|---|---|
| Property, plant and equipment and intangible assets | (10.41) | (2.92) | - | (13.33) |
| Right-of-use assets | (4.90) | 1.34 | - | (3.56) |
| Provision for credit impaired trade receivables | 35.52 | 1.40 | - | 36.92 |
| Provision for employee benefits | 3.76 | 1.17 | (0.63) | 4.30 |
| Lease liabilities | 5.48 | (1.40) | - | 4.08 |
| Others | (0.56) | 0.37 | - | (0.19) |
| **Deferred tax assets (net)** | **28.89** | **(0.04)** | **(0.63)** | **28.22** |

**Movement in deferred tax assets and deferred tax liabilities from March 31, 2023 to March 31, 2024:**

| Particulars | As at March 31, 2023 | Credit/ (charge) in the Statement of Profit and Loss | Credit/ (charge) in OCI | As at March 31, 2024 |
|---|---|---|---|---|
| Property, plant and equipment and intangible assets | (4.85) | (5.56) | - | (10.41) |
| Right-of-use assets | (5.04) | 0.14 | - | (4.90) |
| Provision for credit impaired trade receivables | 37.58 | (2.06) | - | 35.52 |
| Provision for employee benefits | 2.92 | 1.09 | (0.25) | 3.76 |
| Lease liabilities | 5.60 | (0.12) | - | 5.48 |
| Others | (0.81) | 0.25 | - | (0.56) |
| **Deferred tax assets (net)** | **35.40** | **(6.26)** | **(0.25)** | **28.89** |

**Movement in deferred tax assets and deferred tax liabilities from March 31, 2022 to March 31, 2023:**

| Particulars | As at March 31, 2022 | Credit/ (charge) in the Statement of Profit and Loss | Credit/ (charge) in OCI | As at March 31, 2023 |
|---|---|---|---|---|
| Property, plant and equipment and intangible assets | (3.10) | (1.75) | - | (4.85) |
| Right-of-use assets | (6.92) | 1.88 | - | (5.04) |
| Provision for credit impaired trade receivables | 27.04 | 10.54 | - | 37.58 |
| Provision for employee benefits | 2.72 | 0.67 | (0.47) | 2.92 |
| Lease liabilities | 7.29 | (1.69) | - | 5.60 |
| Others | (1.38) | 0.57 | - | (0.81) |
| **Deferred tax assets (net)** | **25.65** | **10.22** | **(0.47)** | **35.40** |

**Movement in deferred tax assets and deferred tax liabilities from April 01, 2021 to March 31, 2022:**

| Particulars | As at 01 April 2021 | Credit/ (charge) in the Statement of Profit and Loss | Credit/ (charge) in OCI | As at March 31, 2022 |
|---|---|---|---|---|
| Property, plant and equipment and intangible assets | (0.34) | (2.76) | - | (3.10) |
| Right-of-use assets | - | (6.92) | - | (6.92) |
| Provision for credit impaired trade receivables | 7.84 | 19.20 | - | 27.04 |
| Provision for employee benefits | - | 2.72 | - | 2.72 |
| Lease liabilities | - | 7.29 | - | 7.29 |
| Others | (0.84) | (0.54) | - | (1.38) |
| **Deferred tax assets (net)** | **6.66** | **18.99** | **-** | **25.65** |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**32** As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The focus areas of Company's CSR activities are eradication of hunger and malnutrition, promoting education and PM relief fund. The CSR activities of the Company are in line with the specified in Schedule VII of the Companies Act, 2013.

| Particulars | Consolidated<br>As at September 30, 2024 | Consolidated<br>As at March 31, 2024 | Standalone<br>As at March 31, 2023 | Standalone<br>As at March 31, 2022 |
|---|---|---|---|---|
| (a) Gross amount required to be spent by the Company during the period/year | 2.28 | 2.18 | 1.38 | 1.13 |
| (b) Amount of expenditure incurred during the period/year | | | | |
| (i) Construction/ acquisition of any asset | | | | |
| -In cash | - | - | - | - |
| -Yet to be paid in cash | - | - | - | - |
| (ii) On purposes other than (i) above | | | | |
| -In cash | - | 2.31 | 1.25 | 1.13 |
| -Yet to be paid in cash | 2.28 | - | - | - |
| (c) Details of spent/unspent obligations | | | | |
| (i) Contribution to charitable trust & PM relief fund | - | 2.31 | 1.25 | - |
| (ii) Unspent amount in relation to: | | | | |
| -Ongoing project | - | - | - | - |
| -Other than ongoing project | 2.28 | - | 0.13 | - |
| (d) Total of previous years shortfall (net of incurred during the year) | - | - | - | - |
| (e) Reason for shortfall | Not Applicable | Not Applicable | Refer note below* | Not Applicable |

* As of respective reporting date, the Company was in process of identifying the CSR activities. This shortfall was subsequently paid.

**Details of other than ongoing project**

| Particulars | Consolidated<br>For the six months period ended September 30, 2024 | Consolidated<br>For the year ended March 31, 2024 | Standalone<br>For the year ended March 31, 2023 | Standalone<br>For the year ended March 31,2022 |
|---|---|---|---|---|
| **Balance at the beginning of the period/year** | **-** | **0.13** | **-** | **-** |
| Amount required to be spent | 2.28 | 2.18 | 1.38 | 1.13 |
| Amount spent during the period/year | - | (2.31) | (1.25) | (1.13) |
| Amount deposited in specified fund of Schedule VII within 6 months | - | - | - | - |
| **Closing balance at the end of the period/year** | **2.28** | **-** | **0.13** | **-** |

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**33 Employee benefit obligations**

**33.1 Post retirement benefit - Defined contribution**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The Company has recognised as an expense aggregating for the period/year ending September 30, 2024: Rs 7.04 Mn; (March 31, 2024: Rs 12.65 Mn; March 31, 2023: Rs 11.40 Mn; and March 31, 2022: Rs 10.31 Mn) in respect of the defined contribution plans.

**33.2 Post-employment benefit - Defined benefit**

**(a) Gratuity (unfunded)**

| **Particulars** | **Net defined benefit liability - Gratuity plan** | | |
|---|---|---|---|
| | **Non-current** | **Current** | **Total** |
| As at March 31, 2022 | 10.03 | 0.76 | 10.79 |
| As at March 31, 2023 | 10.22 | 1.38 | 11.60 |
| As at March 31, 2024 | 13.03 | 1.91 | 14.94 |
| As at September 30, 2024 | 11.76 | 2.00 | 13.76 |

**(b)** The Company has a defined benefit gratuity plan in India (Gratuity plan). The Gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The plan was unfunded.

The plans are exposed to a number of risks, including:

- Interest rate risk: decreases/increases in the Discount rate used will Increase/decrease the defined benefit obligation
- Attrition risk: Changes in the estimation of mortality rates of Current and former employees.
- Salary risk: increases in future salaries Increase the gross defined benefit obligation.

Gratuity cost for the period/year ending September 30, 2024- 2.54 Mn; (March 31, 2024- Rs. 5.27 Mn; March 31, 2023- Rs. 3.01 Mn; and March 31, 2022- Rs. 10.91 Mn) has been included in Note 27 under employee benefits expense. The Company's gratuity plan is unfunded.

**(c)**

| **Reconciliation of net defined benefit obligation** | **Consolidated** | **Consolidated** | **Standalone** | **Standalone** |
|---|---|---|---|---|
| | **September 30, 2024** | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| **Balance as at the beginning of the period/year** | **14.94** | **11.60** | **10.79** | **-** |
| Current service cost | 2.03 | 4.44 | 3.01 | 2.95 |
| Interest cost | 0.51 | 0.83 | - | 7.96 |
| **Included in profit and loss (refer note 27)** | **2.54** | **5.27** | **3.01** | **10.91** |
| **Remeasurement loss/(gain):** | | | | |
| Actuarial loss / (gain) arising from: | | | | |
| Changes in demographic assumptions | (0.81) | 0.53 | (0.47) | - |
| Changes in financial assumptions | 0.23 | 0.40 | (0.15) | - |
| Experience adjustments | (1.94) | (1.93) | (1.24) | - |
| **Included in OCI** | **(2.52)** | **(1.00)** | **(1.86)** | **-** |
| Benefits paid | (1.20) | (0.93) | (0.34) | - |
| **Other movements** | **(1.20)** | **(0.93)** | **(0.34)** | **(0.12)** |
| **Balance as at the end of the period/year** | **13.76** | **14.94** | **11.60** | **10.79** |

**(d) Actuarial assumptions**

The principal actuarial assumptions used in determining the present value of the defined benefit obligations include:

| **Particulars** | **Consolidated** For the six months period ended September 30, 2024 | **Consolidated** For the year ended March 31, 2024 | **Standalone** For the year ended March 31, 2023 | **Standalone** For the year ended March 31, 2022 |
|---|---|---|---|---|
| Discount rate | 7.02% | 7.24% | 7.51% | 7.34% |
| Future salary growth | 8.00% | 8.00% | 8.00% | 8.00% |
| Attrition rate | 10.00% | 6.00% | 9.00% | 5.00% |
| Retirement age | 60 years | 60 years | 60 years | 60 years |
| Mortality rates | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |

The weighted-average duration of the defined benefit obligation as at September 30, 2024 is 9 years (March 31, 2024- 11 years; March 31, 2023- 9 years and March 31, 2022- 12 years) for gratuity plan.

**(e) Maturity analysis**

The expected maturity analysis of undiscounted gratuity obligations are as follows:

| | **Consolidated** | **Consolidated** | **Standalone** | **Standalone** |
|---|---|---|---|---|
| **Particulars** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
| Within 1 year | 2.05 | 1.96 | 1.40 | 0.77 |
| 2 to 5 years | 4.31 | 3.51 | 4.19 | 2.91 |
| 6 to 10 years | 6.31 | 6.08 | 5.66 | 3.89 |
| > 10 years | 15.36 | 27.28 | 13.75 | 22.65 |
| **Total** | **28.03** | **38.83** | **25.00** | **30.22** |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**(f) Sensitivity analysis**

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**Defined benefit obligation**

| Actuarial assumptions | Discount rate | | Future salary growth | |
|---|---|---|---|---|
| Reasonably possible change | (+ 1%) | (- 1%) | (+ 1%) | (- 1%) |
| | Increase | Decrease | Increase | Decrease |
| As at March 31, 2022 | 9.72 | 12.06 | 12.08 | 9.67 |
| As at March 31, 2023 | 10.76 | 12.56 | 12.61 | 10.70 |
| As at March 31, 2024 | 13.55 | 16.57 | 16.56 | 13.52 |
| As at September 30, 2024 | 12.76 | 14.93 | 14.89 | 12.77 |

| Actuarial assumptions | Attrition rate | | Future mortality rates | |
|---|---|---|---|---|
| Reasonably possible change | (+ 1%) | (- 1%) | (+ 1%) | (- 1%) |
| | Increase | Decrease | Increase | Decrease |
| As at March 31, 2022 | 10.66 | 10.92 | 10.78 | 10.79 |
| As at March 31, 2023 | 11.50 | 11.70 | 11.60 | 11.60 |
| As at March 31, 2024 | 14.75 | 15.13 | 14.93 | 14.93 |
| As at September 30, 2024 | 13.59 | 13.95 | 13.77 | 13.77 |

**34 Earnings per share**

The following reflects the income and share data used in the basic and diluted earnings per equity share computations:

| Particulars | Consolidated<br>For the six months period ended September 30, 2024 | Consolidated<br>For the year ended March 31, 2024 | Standalone<br>For the year ended March 31, 2023 | Standalone<br>For the year ended March 31, 2022 |
|---|---|---|---|---|
| Profit after tax | 155.97 | 291.05 | 109.13 | 12.86 |
| Weighted average number of equity shares | 4,00,00,000 | 3,80,21,918 | 2,32,05,479 | 1,80,00,000 |
| Face value per share (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| **Basic and Diluted earnings per equity share** | **3.90** | **7.65** | **4.70** | **0.71** |

**Notes:**

1. Pursuant to resolution passed by the Board of Directors on January 28, 2025 and resolution passed by the Shareholders on January 29, 2025, the company has made Sub-division of 1 (one) equity share of nominal/face value of ₹10 into Equity 2 (two) equity shares of nominal/face value of ₹ 5 each, fully paid-up w.e.f, January 31, 2025. Accordingly, the authorised share capital of our Company was sub-divided from 3,50,00,000 equity shares of face value of ₹10 each to 7,00,00,000 Equity Shares of face value of ₹ 5 each.
Further w.e.f., January 31, 2025, the issued, subscribed and paid-up share capital as on September 30, 2024 consisting of 2,00,00,000 equity shares of the Company having face value of Rs.10 each shall stand split into 4,00,00,000 equity shares having face value of Rs.5 each without altering the aggregate amount of such capital and shall rank paripassu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Company.

Accordingly, the Basic and Diluted earnings per equity share presented are calculated reflecting such changes in the number of shares after considering the effect of split on the outstanding numbers of equity shares for the respective period/years.

2. No potential equity shares are outstanding as on September 30, 2024; March 31, 2024; March 31, 2024 and March 31, 2022 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered as diluted EPS.

3. Basic and Diluted earnings per share for six months ended September 30, 2024 are not annualised.

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**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure VII- Notes to Restated Financial Information**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**35 Related party transactions**

**Names of related parties and description of relationship as identified by the Company:**

**A**

| Nature of Relationship | Name of the Party |
|---|---|
| i) Associate | Ingwenya Mineral Tech Private Limited (w.e.f June 15, 2023) |
| ii) Directors/ Key Managerial Personnel | |
| | Chandra Sekhar Moturu, Chairman and Managing Director |
| | Ragdeep Moturu, Whole-time Director |
| | Sundararama Sarma Gorrepati, Executive Director (Appointed w.e.f. May 05, 2023) |
| | Ravikanth Mallina, Independent Director (Appointed w.e.f August 12, 2024) |
| | Visweswara Prasad Yalamanchili, Independent Director (Appointed w.e.f August 12, 2024) |
| | Ravinder Komaragiri , Independent Director (Appointed w.e.f August 12, 2024) |
| | Srinivas Aravapalli, Independent Director (Appointed w.e.f August 12, 2024) |
| | Anjaneyulu Krothapalli, Independent Director (Appointed w.e.f September 17, 2024) |
| | Arundeep Moturu, Executive Director (Appointed w.e.f. August 25, 2024) |
| | Krishna Kumari Moturu, Executive Director and Chief Financial Officer (Appointed w.e.f. August 25, 2024) |
| | Disha Jindal, Company Secretary (Appointed w.e.f. June 05, 2024) |
| iii) Entities in which Directors and Key Management Personnel ("KMP") have a significant influence / control with whom Company have made transactions during the reporting period/years | |
| | Ardee Drives Private Limited (formerly Balaji Drives Private Limited) |
| | Rotec Transmissions Private Limited |
| | Anvizen Consultants Private Limited |
| | Arun Kapital Networks |
| | Arun Computers |
| | Arun Infotech |
| | Arovan Logistics |
| | ACS Engineering Solutions |
| | M/s ARCS |
| | Arch Logistics Private Limited |
| Relative of Directors of Company | Rama Nimmagadda |
| | Krishna Kumari Moturu (Upto August 24, 2024) |
| | Arundeep Moturu (Upto August 24, 2024) |

**B Transactions during the year/period with related parties**

| Particulars | Consolidated<br>For the six months ended September 30, 2024 | Consolidated<br>For the year ended March 31, 2024 | Standalone<br>For the year ended March 31, 2023 | Standalone<br>For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Purchase of Goods** | | | | |
| Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited) | 30.61 | 81.83 | 13.42 | 0.88 |
| Rotec Transmissions Private Limited | 5.32 | 14.57 | 24.08 | 47.96 |
| Arun Kapital Networks | 7.11 | 379.58 | 1.52 | 2.10 |
| Ingwenya Mineral Tech Private Limited | 46.10 | - | - | - |
| M/s ARCS | - | 0.04 | - | - |
| ACS Engineering Solutions | - | 13.88 | 27.35 | - |
| **Purchase of property, plant & equipment and Intangible assets** | | | | |
| Arun Computers | 0.19 | 0.56 | 0.63 | 0.59 |
| Arun Kapital Networks | 0.45 | - | 0.10 | 0.54 |
| **Revenue from Contracts** | | | | |
| Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited) | 0.55 | 12.00 | 12.55 | - |
| Rotec Transmissions Private Limited | 15.27 | 40.07 | 3.72 | - |
| Arun Kapital Networks | - | 11.34 | 20.22 | 5.40 |
| Ingwenya Mineral Tech Private Limited | - | 31.78 | - | - |
| **Rent expense** | | | | |
| M/s ARCS | 1.63 | 3.29 | 3.27 | 3.29 |
| **Other expenses** | | | | |
| Arun Computers | 0.01 | 1.32 | 0.48 | 0.13 |
| Arun Kapital Networks | 0.38 | - | - | 0.25 |
| M/s ARCS | 3.67 | 3.94 | 1.92 | 1.92 |
| Arovan Logistics | 8.12 | 25.57 | 15.50 | 13.05 |
| ACS Engineering Solutions | - | - | - | 40.69 |
| **Proceeds from Borrowings_Unsecured Loan** | | | | |
| Mr. Chandra Sekhar Moturu | 12.44 | 143.30 | 45.87 | 95.39 |
| Mr. Ragdeep Moturu | 5.11 | 59.05 | 11.00 | 0.36 |
| Rama Nimmagadda | - | - | - | 0.22 |
| **Repayments of borrowings_Unsecured Loan** | | | | |
| Mr. Chandra Sekhar Moturu | 12.39 | 246.22 | 127.60 | 42.67 |
| Mr. Ragdeep Moturu | 7.07 | 72.35 | 16.23 | 1.80 |
| Rama Nimmagadda | - | - | 2.02 | 0.22 |
| **Advances from Customers** | | | | |
| Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited) | - | 3.29 | 13.50 | - |
| Arun Kapital Networks | 16.22 | - | - | 29.12 |
| Ingwenya Mineral Tech Private Limited | 35.42 | - | - | - |

**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
**Annexure VII- Notes to Restated Financial Information**
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

| Particulars | For the six months ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Advance to suppliers** | | | | |
| Arun Infotech | - | - | 1.61 | 1.61 |
| Ingwenya Mineral Tech Private Limited | 3.81 | 3.50 | - | - |
| Arun Kapital Networks | 26.14 | - | - | - |
| Rotec Transmissions Private Limited | 8.58 | - | - | - |
| **Staff Advance Given** | | | | |
| Mr. Arundeep Moturu | 2.35 | 1.86 | 3.26 | - |
| Mr. Sundararama Sarma Gorrepati | - | 0.15 | - | - |
| **Staff Advance repaid** | | | | |
| Mr. Arundeep Moturu | 7.47 | - | - | - |
| **Other- received** | | | | |
| Arch Logistics Private Limited | - | - | - | 0.07 |
| **Investment in Associate** | | | | |
| Ingwenya Mineral Tech Private Limited | - | 5.45 | - | - |
| **Proceeds from issue of equity shares including securties premium** | | | | |
| Mr. Chandra Sekhar Moturu | - | 225.00 | - | - |
| Mr. Ragdeep Moturu | - | 25.00 | - | - |
| **Issue of equity shares-(Rights Issue) (Refer note iv below)** | | | | |
| Mr. Chandra Sekhar Moturu | - | - | 90.00 | - |
| Mr. Ragdeep Moturu | - | - | 10.00 | - |
| **Inter corporate deposits taken** | | | | |
| Anvizen Consultants Private Limited | 40.00 | - | - | - |
| **Inter corporate deposits repaid** | | | | |
| Anvizen Consultants Private Limited | 40.00 | - | - | - |
| **Director's Sitting Fees** | | | | |
| Ravikanth Mallina | 0.06 | - | - | - |
| Visweswara Prasad Yalamanchili | 0.06 | - | - | - |
| Komaragiri Ravinder | 0.06 | - | - | - |
| Srinivas Aravapalli | 0.06 | - | - | - |
| **Reimbursement of expenses** | | | | |
| Mr. Sundararama Sarma Gorrepati | 0.13 | - | - | - |
| Mrs. Krishna Kumari Moturu | 0.61 | - | - | - |
| **Employee benefit expense** | | | | |
| Mrs. Krishna Kumari Moturu | 0.95 | 2.40 | 1.20 | 1.20 |
| Mr. Arundeep Moturu | 0.95 | 2.40 | 1.09 | 1.09 |
| **Managerial Remuneration (Refer note iii below)** | | | | |
| Mr. Chandra Sekhar Moturu | 1.65 | 3.30 | 3.30 | 3.30 |
| Mr. Ragdeep Moturu | 2.40 | 4.80 | 4.80 | 4.80 |
| Mr. Sundararama Sarma Gorrepati | 1.84 | 2.99 | - | |
| Mrs. Krishna Kumari Moturu | 0.25 | - | - | - |
| Mr. Arundeep Moturu | 0.25 | - | - | - |
| Ms. Disha Jindal | 0.35 | - | - | - |

*This space is intentionally left blank*

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**C Amount due to/from related parties :**

| Name of the related party | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Trade Payables** | | | | |
| Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited) | 98.09 | 115.07 | 13.76 | - |
| Arun Computers | 1.44 | 1.23 | 0.42 | 0.99 |
| Arun Kapital Networks | - | - | 2.25 | - |
| Rotec Transmissions Private Limited | - | - | 14.26 | 28.28 |
| M/s ARCS | 2.44 | 2.60 | 1.35 | 1.64 |
| ACS Engineering Solutions | 9.29 | 11.41 | 17.79 | 14.70 |
| Arovan Logistics | 0.79 | 2.86 | 1.32 | 1.99 |
| **Investment in Associate (Including Share of profit)** | | | | |
| Ingwenya Mineral Tech Private Limited | 12.10 | 6.86 | - | - |
| **Trade Receivables** | | | | |
| Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited) | - | - | 0.31 | - |
| Rotec Transmissions Private Limited | 15.99 | 31.69 | 10.63 | 9.54 |
| Arun Kapital Networks | - | 31.28 | 4.03 | - |
| Ingwenya Mineral Tech Private Limited | - | 14.43 | - | - |
| **Borrowings-Unsecured loan** | | | | |
| Mr. Chandra Sekhar Moturu | 2.16 | 0.74 | 100.36 | 183.07 |
| Mr. Ragdeep Moturu | 0.70 | 0.66 | 9.16 | 14.88 |
| Rama Nimmagadda | - | - | - | 2.02 |
| **Retention Money Payable** | | | | |
| Arun Kapital Networks | 6.42 | 56.42 | - | - |
| **Advances received from customer** | | | | |
| Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited) | 2.64 | 3.29 | 13.50 | - |
| Ingwenya Mineral Tech Private Limited | 35.42 | - | - | - |
| Arun Kapital Networks | 16.22 | - | - | - |
| **Advance to suppliers** | | | | |
| Arun Infotech | 1.61 | 1.61 | 1.61 | 1.61 |
| Ingwenya Mineral Tech Private Limited | 7.31 | 3.50 | - | - |
| Rotec Transmissions Private Limited | 8.90 | - | - | - |
| Arun Kapital Networks | 26.14 | - | - | - |
| **Reimbursement of expenses payable** | | | | |
| Mrs. Krishna Kumari Moturu | 0.61 | - | - | - |
| **Staff Advance** | | | | |
| Mr. Arundeep Moturu | - | 5.12 | 3.26 | - |
| Mr. Sundararama Sarma Gorrepati | 0.64 | 0.77 | - | 0.50 |

**Notes :**

i. Personal guarantees were provided by Chandra Sekhar Moturu and Ragdeep Moturu towards borrowings facilities availed by the Company, where applicable. (refer Note 17.1)

ii. All the related party transactions entered during the period/year were in ordinary course of business and on arm length basis.

iii. Liability for gratutity on actuarial valuation basis are provided for the Company as a whole. Accordingly, amount pertaining to key managerial personnel are not included.

iv. Issue of equity shares (Rights issue)- Adjustment of outstanding unsecured loan against subscription money in a rights issue (refer Note 15).

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**36 Fair value measurements**

**36.1 The carrying amounts of financial assets and financial liabilities by categories were as follows:**

| **Particulars** | **Notes** | **FVTPL** | **FVTOCI** | **Amortised cost** |
|---|---|---|---|---|
| **As at September 30, 2024** | | | | |
| **Financial assets** | | | | |
| Investments | 8 | 8.31 | - | 12.10 |
| Trade receivables | 12 | - | - | 1,841.12 |
| Cash and cash equivalents | 13 | - | - | 0.81 |
| Bank balances other than cash and cash equivalents | 14 | - | - | 242.60 |
| Other financial assets | 9 | - | - | 1,004.56 |
| **Total financial assets** | | **8.31** | **-** | **3,101.19** |
| **Financial liabilities** | | | | |
| Borrowings | 17 | - | - | 1,896.32 |
| Trade payables | 18 | - | - | 1,715.20 |
| Other financial liabilities | 19 | - | - | 26.84 |
| **Total financial liabilities** | | **-** | **-** | **3,638.36** |
| **As at March 31, 2024** | | | | |
| **Financial assets** | | | | |
| Investments | 8 | 7.96 | - | 6.86 |
| Trade receivables | 12 | - | - | 1,558.63 |
| Cash and cash equivalents | 13 | - | - | 1.08 |
| Bank balances other than cash and cash equivalents | 14 | - | - | 242.27 |
| Other financial assets | 9 | - | - | 1,053.49 |
| **Total financial assets** | | **7.96** | **-** | **2,862.33** |
| **Financial liabilities** | | | | |
| Borrowings | 17 | - | - | 1,850.59 |
| Trade payables | 18 | - | - | 1,698.37 |
| Other financial liabilities | 19 | - | - | 77.98 |
| **Total financial liabilities** | | **-** | **-** | **3,626.94** |
| **As at March 31, 2023** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 12 | - | - | 839.75 |
| Cash and cash equivalents | 13 | - | - | 250.59 |
| Bank balances other than cash and cash equivalents | 14 | - | - | 34.09 |
| Other financial assets | 9 | - | - | 531.37 |
| **Total financial assets** | | **-** | **-** | **1,655.80** |
| **Financial liabilities** | | | | |
| Borrowings | 17 | - | - | 1,032.92 |
| Trade payables | 18 | - | - | 805.92 |
| Other financial liabilities | 19 | | - | 15.75 |
| **Total financial liabilities** | | **-** | **-** | **1,854.59** |
| **As at March 31, 2022** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 12 | - | - | 707.24 |
| Cash and cash equivalents | 13 | - | - | 0.41 |
| Bank balances other than cash and cash equivalents | 14 | - | - | 26.32 |
| Other financial assets | 9 | - | - | 384.75 |
| **Total financial assets** | | **-** | **-** | **1,118.72** |
| **Financial liabilities** | | | | |
| Borrowings | 17 | - | - | 746.91 |
| Trade payables | 18 | - | - | 527.18 |
| Other financial liabilities | 19 | - | - | 11.95 |
| **Total financial liabilities** | | **-** | **-** | **1,286.04** |

*This space is intentionally left blank*

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**36.2 Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data)

| Particulars | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at September 30, 2024** | | | | | |
| **Financial assets measured at fair value - recurring fair value measurements** | | | | | |
| **At FVTPL** | | | | | |
| Investment in mutual funds | 8 | 8.31 | - | - | 8.31 |
| **Financial assets measured at amortised cost for which fair values are disclosed** | | | | | |
| Security deposits | 9 | - | - | 18.61 | 18.61 |
| **Total financial assets** | | **8.31** | **-** | **18.61** | **26.92** |
| **Financial liabilities measured at amortised cost for which fair values are disclosed** | | | | | |
| Borrowings | 17 | - | - | 1,896.32 | 1,896.32 |
| **Total financial liabilities** | | **-** | **-** | **1,896.32** | **1,896.32** |
| **As at March 31, 2024** | | | | | |
| **Financial assets measured at fair value - recurring fair value measurements** | | | | | |
| **At FVTPL** | | | | | |
| Investment in mutual funds | 8 | 7.96 | - | - | 7.96 |
| **Financial assets measured at amortised cost for which fair values are disclosed** | | | | | |
| Security deposits | 9 | - | - | 9.34 | 9.34 |
| **Total financial assets** | | **7.96** | **-** | **9.34** | **17.30** |
| **Financial liabilities measured at amortised cost for which fair values are disclosed** | | | | | |
| Borrowings | 17 | - | - | 1,850.59 | 1,850.59 |
| **Total financial liabilities** | | **-** | **-** | **1,850.59** | **1,850.59** |
| **As at March 31, 2023** | | | | | |
| **Financial assets measured at fair value - recurring fair value measurements** | | | | | |
| **At FVTPL** | | | | | |
| Investments | 8 | - | - | - | - |
| **Financial assets measured at amortised cost for which fair values are disclosed** | | | | | |
| Security deposits | 9 | - | - | 5.11 | 5.11 |
| **Total financial assets** | | **-** | **-** | **5.11** | **5.11** |
| **Financial liabilities measured at amortised cost for which fair values are disclosed** | | | | | |
| Borrowings | 17 | - | - | 1,032.92 | 1,032.92 |
| **Total financial liabilities** | | **-** | **-** | **1,032.92** | **1,032.92** |
| **As at March 31, 2022** | | | | | |
| **Financial assets measured at fair value - recurring fair value measurements** | | | | | |
| **At FVTPL** | | | | | |
| Investments | 8 | - | - | - | - |
| **Financial assets measured at amortised cost for which fair values are disclosed** | | | | | |
| Security deposits | 9 | - | - | 5.58 | 5.58 |
| **Total financial assets** | | **-** | **-** | **5.58** | **5.58** |
| **Financial liabilities measured at amortised cost for which fair values are disclosed** | | | | | |
| Borrowings | 17 | - | - | 746.91 | 746.91 |
| **Total financial liabilities** | | **-** | **-** | **746.91** | **746.91** |

There have been no transfers between Level 1, Level 2 and Level 3 during the current period and previous years.

**36.3 Methods and assumptions**

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of borrowings is estimated by discounting the future contractual cash flows at the current market interest rates. The own non performance risk as at period/year end was assessed to be insignificant. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

(b) The fair value of security deposits were calculated based on future cash flows using a current lending rate. These are based on discounted cash flow analysis. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The Company has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and trade payables, because their carrying amounts are a reasonable approximation of fair value.

(d) The mutual funds are valued using the closing NAV. These instruments are classified as level 1 fair values in the fair value hierarchy.

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**37 Financial risk management**

**37.1 General objectives, policies and processes**

The Company is exposed through its operations to the following financial risks: (i) Credit risk; (ii) Market risk comprising of interest rate risk, foreign exchange risk and other price risk; and (iii) Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial information.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has the overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

**37.2 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s trade receivables, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company’s maximum exposure to credit risk for the components of the balance sheet at September 30, 2024; March 31, 2024; March 31, 2023; and March 31, 2022 is the carrying amounts of financial assets as per Note 36.

None of the Company’s cash equivalents, other bank balances and security deposits were past due or impaired as at September 30, 2024; March 31, 2024; March 31, 2023; and March 31, 2022.

**Trade receivables and contract assets**

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and location in which customers operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period.

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10 and 13. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**The movement in provision for expected credit loss for trade receivables are as follows:**

| Particulars | Amount |
|---|---|
| **Loss allowance as at April 1, 2021** | - |
| On transition to Ind AS | 31.16 |
| Increase in loss allowance recognised in profit or loss during the year | 76.27 |
| Less: Utilised during the year | - |
| **Loss allowance as at March 31, 2022** | **107.43** |
| Increase in loss allowance recognised in profit or loss during the year | 41.87 |
| Less: Utilised during the year | - |
| **Loss allowance as at March 31, 2023** | **149.30** |
| Increase in loss allowance recognised in profit or loss during the year | 24.06 |
| Less: Utilised during the year | (32.21) |
| **Loss allowance as at March 31, 2024** | **141.15** |
| Increase in loss allowance recognised in profit or loss during the period | 5.55 |
| Less: Utilised during the period | - |
| **Loss allowance as at September 30, 2024** | **146.70** |

**37.3 Market risk**

Market risk arises from the Company's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company’s financial instruments will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rate relates primarily to the Company’s borrowings with variable interest rates.

**(i) Exposure to interest rate risk**

| | **Consolidated** | **Consolidated** | **Standalone** | **Standalone** |
|---|---|---|---|---|
| **Particulars** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
| Borrowings with variable rate of interest | 1,627.33 | 1,549.52 | 755.53 | 308.74 |
| Borrowings with fixed rate of interest | 265.46 | 299.67 | 167.86 | 239.26 |

**(ii) Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of variable interest-bearing borrowings. With all other variables held constant, the Company’s profit before tax is affected through the impact on such floating rate borrowings, as follows:

| **Particulars** | **Increase/ decrease in basis points** | **Balance** | **Effect on profit before tax** |
|---|---|---|---|
| March 31, 2022 | +100/-100 | 308.74 | 3.09 |
| March 31, 2023 | +100/-100 | 755.53 | 7.56 |
| March 31, 2024 | +100/-100 | 1,549.52 | 15.50 |
| September 30, 2024 | +100/-100 | 1,627.33 | 16.27 |

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**(b) Foreign exchange risk**

The Company has no foreign currency receivables or payables as on September 30, 2024; March 31,2024, March 31,2023; and March 31,2022, and therefore foreign exchange risk is not applicable.

**37.3 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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

**a) Maturities of financial liabilities**

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

| As at September 30, 2024 | Note | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Total | Up to 3 Months | Between 3 and 12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Lease liabilities | 6 | 16.22 | 16.76 | 2.55 | 7.58 | 6.63 | - | - |
| Borrowings | 17 | 1,896.32 | 1,898.33 | 1,498.52 | 112.15 | 111.07 | 113.84 | 62.74 |
| Trade payables | 18 | 1,715.20 | 1,714.96 | 896.90 | 818.06 | - | - | - |
| Other financial liabilities | 19 | 26.84 | 26.84 | 20.38 | 6.46 | - | - | - |
| **Total** | | **3,654.58** | **3,656.89** | **2,418.35** | **944.25** | **117.70** | **113.84** | **62.74** |

| As at March 31, 2024 | Note | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Total | Up to 3 Months | Between 3 and 12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Lease liabilities | 6 | 21.78 | 24.50 | 3.21 | 8.31 | 9.49 | 3.49 | - |
| Borrowings | 17 | 1,850.59 | 1,856.76 | 746.25 | 736.47 | 98.27 | 197.67 | 78.10 |
| Trade payables | 18 | 1,698.37 | 1,698.37 | 1,171.85 | 526.52 | - | - | - |
| Other financial liabilities | 19 | 77.98 | 77.98 | 21.56 | 56.42 | - | - | - |
| **Total** | | **3,648.72** | **3,657.61** | **1,942.87** | **1,327.72** | **107.76** | **201.16** | **78.10** |

| As at March 31, 2023 | Note | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Total | Up to 3 Months | Between 3 and 12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Lease liabilities | 6 | 22.27 | 25.62 | 2.29 | 7.03 | 8.11 | 8.19 | - |
| Borrowings | 17 | 1,032.92 | 1,041.44 | 656.27 | 227.11 | 45.19 | 112.87 | - |
| Trade payables | 18 | 805.92 | 805.92 | 704.39 | 101.53 | - | - | - |
| Other financial liabilities | 19 | 15.75 | 15.75 | 14.76 | 0.99 | - | - | - |
| **Total** | | **1,876.86** | **1,888.73** | **1,377.71** | **336.66** | **53.30** | **121.06** | **-** |

| As at March 31, 2022 | Note | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Total | Up to 3 Months | Between 3 and 12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Lease liabilities | 6 | 28.95 | 34.71 | 2.14 | 6.94 | 9.32 | 16.31 | - |
| Borrowings | 17 | 746.91 | 756.97 | 200.00 | 371.02 | 49.06 | 135.48 | 1.41 |
| Trade payables | 18 | 527.18 | 579.89 | 421.74 | 158.15 | - | - | - |
| Other financial liabilities | 19 | 11.95 | 11.95 | 10.96 | - | 0.99 | - | - |
| **Total** | | **1,314.99** | **1,383.52** | **634.84** | **536.11** | **59.37** | **151.79** | **1.41** |

The interest payments on variable interest rate borrowings in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration may be different from the amount in the above table as the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**38 Additional information on the entities included in the Restated Financial Information**

| Particulars | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| **September 30, 2024** | | | | | | | | |
| **Parent** | | | | | | | | |
| Ardee Engineering Limited | 100.00% | 1,030.97 | 96.64% | 150.73 | 100.00% | 1.89 | 96.68% | 152.62 |
| **Associate** | | | | | | | | |
| Ingwenya Mineral Tech Private limited | - | - | 3.36% | 5.24 | - | - | 3.32% | 5.24 |
| **Total** | **100.00%** | **1,030.97** | **100.00%** | **155.97** | **100.00%** | **1.89** | **100.00%** | **157.86** |
| **March 31, 2024** | | | | | | | | |
| **Parent** | | | | | | | | |
| Ardee Engineering Limited | 100.00% | 873.11 | 99.52% | 289.64 | 100.00% | 0.75 | 99.52% | 290.39 |
| **Associate** | | | | | | | | |
| Ingwenya Mineral Tech Private limited | - | - | 0.48% | 1.41 | - | - | 0.48% | 1.41 |
| **Total** | **100.00%** | **873.11** | **100.00%** | **291.05** | **100.00%** | **0.75** | **100.00%** | **291.80** |

Note: During the FY 2023-24, pursuant to Share Purchase Agreement dated June 7, 2023, the Company has acquired 21.62% of shareholding in Ingwenya Mineral Tech Private limited (IMT) and is an associate of the Company. Therefore the additional information is applicable and given only for six months ended September 30, 2024 and year ended March 31, 2024.

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

**39 Segment information**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. The Company is a design, engineering and manufacturing Company which is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions. The CODM identified entire business as a single reportable segment, hence segment reporting is not applicable.

**40 Capital management**

The Company's objectives when maintaining capital are:
(a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents and other bank balances.

**The debt-to-adjusted-capital ratios were as follows:**

| Particulars | Consolidated<br>As at<br>September 30, 2024 | Consolidated<br>As at<br>March 31, 2024 | Standalone<br>As at<br>March 31, 2023 | Standalone<br>As at<br>March 31, 2022 |
|---|---|---|---|---|
| Borrowings and lease liabilities | 1,912.54 | 1,872.37 | 1,055.19 | 775.86 |
| Less: Cash and cash equivalents and other bank balances | (257.72) | (266.66) | (329.44) | (63.28) |
| **Net debt** | **1,654.82** | **1,605.71** | **725.75** | **712.58** |
| | | | | |
| Equity share capital | 200.00 | 200.00 | 190.00 | 90.00 |
| Other equity | 830.97 | 673.11 | 141.31 | 30.78 |
| **Total equity** | **1,030.97** | **873.11** | **331.31** | **120.78** |
| | | | | |
| **Net debt to equity ratio (times)** | **1.61** | **1.84** | **2.19** | **5.90** |

No changes were made in the objectives, policies or processes for managing capital during the current period and previous years.

**41 Contingent liabilities and commitments**

**41.1 Contingent liabilities**

(a) There are no claims against the Company not acknowledged as debt as on September 30, 2024; March 31, 2024; March 31, 2023; and March 31, 2022.

| **(b) Guarantees excluding financial guarantees**<br>Particulars | Consolidated<br>As at<br>September 30, 2024 | Consolidated<br>As at<br>March 31, 2024 | Standalone<br>As at<br>March 31, 2023 | Standalone<br>As at<br>March 31, 2022 |
|---|---|---|---|---|
| The Company has guaranteed to an unrelated party for the performance in a contract for the supply of goods and services. | 748.41 | 807.35 | 435.38 | 217.81 |

**41.2 Commitments -** There are no commitments as on September 30, 2024; March 31, 2024; March 31, 2023 and March 31, 2022.

**42 Events after the reporting period**

**i) Investment in Associate- Ardee Yantrik Private Limited**

The Company acquired 20,000 equity shares at face value Rs. 10 each amounting to Rs.0.20 Mn as subscriber to the memorandum of Ardee Yantrik Private Limited, incorporated on November 27, 2024 representing 40.00% of the total equity share capital.

**ii) Split of Equity Shares**

Pursuant to resolution passed by the Board of Directors on January 28, 2025 and resolution passed by the Shareholders on January 29, 2025, the company has made Sub-division of 1 (one) equity share of nominal/face value of ₹10 into Equity 2 (two) equity shares of nominal/face value of ₹ 5 each, fully paid-up w.e.f, January 31, 2025. Accordingly, the authorised share capital of our Company was sub-divided from 3,50,00,000 equity shares of face value of ₹10 each to 7,00,00,000 Equity Shares of face value of ₹ 5 each.

Further w.e.f., January 31, 2025, the issued, subscribed and paid-up share capital as on September 30, 2024 consisting of 2,00,00,000 equity shares of the Company having face value of Rs.10 each shall stand split into 4,00,00,000 equity shares having face value of Rs.5 each without altering the aggregate amount of such capital and shall rank paripassu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Company.

The management has assessed, the subsequent events to the reporting period and is of the view that there are no material events which require adjustment or disclosure in the financial statements except as disclosed in financial statements.

**43 Other regulatory information**

**(i) Details of benami property held**

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

**(ii) Borrowings secured against current assets**

The Company has borrowings secured against current assets and statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**(iii) Wilful defaulter**
The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

**(iv) Relationship with struck off companies**
The Company does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

**(v) Compliance with number of layers of companies**
The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

**(vi) Undisclosed income**
The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the period/year in tax assessments under the Income-tax Act, 1961.

**(vii) Details of crypto currency or virtual currency**
The Company has not traded or invested in crypto currency or virtual currency during the current period or previous years.

**(viii) Utilisation of borrowed funds and share premium**
The Company has 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:
a. 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
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has 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:
a. 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
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**44 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 Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. 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.

**45** These Restated Financial Information were approved for Issue in accordance with a resolution of the directors on March 17, 2024.

As per our report of even date attached

**For C Venkat Krishna & Co**
Chartered Accountants
ICAI Firm Registration No.: 004599S

**For M S K C & Associates LLP**
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
**Ardee Engineering Limited**
(formerly known as Ardee Engineering Private Limited)

**P.V.N Sastry**
Partner
Membership No. 029098

**Tarun Kumar Jain**
Partner
Membership No. 231741

**Chandra Sekhar Moturu**
Chairman and Managing Director
DIN 02010969

**Ragdeep Moturu**
Whole-time Director
DIN 07587747

**Krishna Kumari Moturu**
Executive Director and
Chief Financial Officer
DIN 10376709

**Disha Jindal**
Company Secretary
Membership No. A65058

Place: Hyderabad
Date: March 17, 2025

Place: Hyderabad
Date: March 17, 2025

## OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2024, 2023 and 2022 together with all the annexures, schedules and notes thereto ("**Audited Standalone Financial Statements**") are available on our website at https://ardee.co.in/financial-of-the-company.html. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone 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 to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any entity in which it or its shareholders may have significant influence and should not be relied upon or used as a basis for any investment decision. Neither the Company or any of its advisors, nor the Book Running Lead Managers or the Promoter Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from the Restated Financial Information and other non-GAAP information required to be disclosed under the SEBI ICDR Regulations are set forth below:

*(in million other than share data)*

| Particulars | Six months ended September 30, 2024* | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Restated earnings per Equity Shares – Basic(1) (in ₹)* | 3.90 | 7.65 | 4.70 | 0.71 |
| Restated earnings per Equity Share – Diluted(2) (in ₹)* | 3.90 | 7.65 | 4.70 | 0.71 |
| Return on net worth(3) (%)* | 15.19 | 33.42 | 33.08 | 10.65 |
| Net asset value per Equity Share(4) (in ₹) | 25.67 | 21.77 | 8.68 | 6.71 |
| EBITDA(5) | 350.59 | 606.49 | 248.59 | 90.96 |

* *Not annualized for September 30, 2024.*

***Notes:***

** Net worth means the aggregate value of the paid-up share capital and other equity of the Company as at period/year end as per Restated financial information. Other equity is calculated as all reserves created out of 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 balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation and amalgamation; and items of other comprehensive income.*

*(1) Basic Earnings per Equity Share (EPS) (₹) = Restated profit for the period / year attributable to equity shareholders of our Company divided by weighted average number of equity shares outstanding during the period / year.*

*(2) Diluted Earnings per Equity Share (EPS) (₹) = Restated profit for the period / year attributable to equity shareholders of our Company divided by weighted average number of equity shares outstanding during the period / year adjusted for the effects of all dilutive] potential equity shares.*

*(3) Return on Net Worth (%) = Restated profit for the period / year attributable to equity shareholders of the Company divided by Restated Net Worth as on for the respective period / year.*

*(4) Net Asset Value per Equity Share = Net worth / Number of equity shares outstanding as at the end of year/period. Net Asset Value per Equity Share has been derived post the impact of split of shares.*

*(5) EBITDA refers to Earnings before Interest, Taxes, Depreciation and amortization; and it is computed as Restated profit before exceptional items and tax plus Finance Cost plus Depreciation and amortization.*

The Non-GAAP Measures presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with Ind AS. 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 year/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 a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating performance.

*See* "***Risk Factors – We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operations and financial performance in this Draft Red Herring Prospectus that are subject to inherent measurement challenges. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial, or industry-related statistical information of similar nomenclature computed and presented by other companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool for investors and there can be no assurance that there will not be any issues or such tools will be accurate going forward***" on page 72.

**Related Party Transaction**

For details of the related party transactions, as per Ind AS 24 read with the SEBI ICDR Regulations, for the six months ended September 30, 2024 and for Fiscals 2024, 2023 and 2022 and as reported in the Restated Financial Information, see "***Restated Financial Information*** – ***Note 35 – Related party transactions***" on page 332.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 19 for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**", "**Restated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 33, 287 and 343, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "**Restated Financial Information**" on page 287. Our financial year ends on March 31 of each year, so all references to a particular financial year or Fiscal are to the 12-month period ended March 31 of that year.*

*We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company ("**Partnership Firm**"), which converted to our Company in the year 2020. The data included herein in respect of our past experience, number of customers, average age of the relationship with such customers, number of projects undertaken and total value of projects undertaken is considered on a combined basis by aggregating the experience, number of customers, average age of the relationship with such customers, number of projects and total value of projects undertaken by our Company and the Partnership Firm.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "**Research Report on Construction Engineering**" dated March 27, 2025 (the "**CARE Report**") prepared and issued by CARE Limited, appointed by us on October 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CARE Report is available on the website of our Company at https://ardee.co.in/industry-report.html. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information relevant for the proposed Offer, that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE 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 – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company**" on page 71. Also see, "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**" on page 17.*

### OVERVIEW

We are the fastest growing integrated design, engineering and manufacturing company based on revenue CAGR between Fiscal 2022 and Fiscal 2024, among peers considered*. (*Source: CARE Report*) We provide a diversified suite of end-to-end solutions across geographies and end-user industries, with a focus on pre-engineered buildings ("**PEB**"), material handling systems ("**MHS**") and engineering services. Our business is divided into our primary business lines: (i) PEB; (ii) MHS; and (iii) engineering services.

**Note: Peers include leading players operating in PEB, MHS and Engineering services segments such as Interarch Building Products Private Limited, JSW Severfield Structures Limited (JSSL), Pennar Industries Limited, Everest Industries Limited, Macmet Engineering Limited, Capacite Infraprojects Limited, PSP Projects Limited, Ahluwalia Contracts (India) Limited and ISGEC Heavy Engineering Limited.*

Our design and engineering capabilities are our core strength. We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company, which converted to our Company in the year 2020. During the past 16 years, we have successfully completed projects across 13 states.

We are focused on producing unique and customized engineering solutions for our customers by working with them throughout the product and process design and development to establish optimal solutions. We endeavour to maintain high quality and safety standards by leveraging the engineering expertise and technical know-how of our engineering team, which had a strength of 175 qualified engineers as on December 31, 2024. Over our nearly 16-year history, we have developed capabilities that have allowed us to secure multiple projects from our customers.

***Our business lines:***

***Pre-engineered buildings:*** We offer comprehensive PEB solutions, including design and engineering, manufacturing, on-site project management for the installation and erection of PEBs and integrated pre-engineered steel structures. We believe that we have created an established presence in the PEB industry in India and have undertaken multiple PEB projects for prominent customers such as JK Cement Limited, RVR Projects Limited, Blue Ocean Biotech Private Limited, and SRR Projects Private Limited, among others. In addition, we have also executed works for leading e-commerce and infrastructure companies.

As of December 31, 2024, we have executed over 100 PEB projects, which include warehouses and fulfilment centres, data centres, logistics infrastructure, manufacturing units, airport, infrastructure, schools and commercial buildings. We attribute our presence in the PEB industry to our ability to deliver projects within tight timelines, while ensuring high quality and engineering standards. We believe that we are able to add significant value to the PEB projects and pre-engineered steel structures through our engineering and design teams, which ensure strict quality and safety control at every level of production through commissioning and handover and as per specifications created by us and approved by our customers. We also ensure that the projects undertaken by us meet the global standards of environment, health and safety ("**EHS**"), which is a key distinguishing factor and allows us to meet the EHS compliance requirements of our prominent clients.

Our prominent PEB projects include:

| **Name and description of the project** |
|---|
| *Client:* manufacturers of electronics<br>*Purpose:* Manufacturing and assembly facility<br>*Value:* ₹2,020 million<br>*Location:* Bangalore, Karnataka<br>*Description:* EPC work of PEB for A2 building and corridor. |
| *Client:* e-commerce company<br>*Purpose:* fulfilment centre.<br>*Value:* 400 million<br>*Location:* Hyderabad<br>*Description:* Design and supply of PEB works for construction of a fulfilment centre in India for the e-commerce company |

***Material handling systems*:** We design, engineer and construct customized material handling systems and processing systems for our customers to solve complex problems faced by our customers in respect of handling and processing bulk material during the manufacturing process. Our engineering solutions are focussed at simplifying the manufacturing process for our customers and enabling them to effectively process a wide range of materials in various forms to get a final product in a seamless manner. We have executed MHS projects for companies in the metals and mining sectors, including a public sector undertaking (which has been granted Maharatna status), Hindustan Electro-Graphites Limited ("**HEG**") and a company in the ports sector in Nellore, Andhra Pradesh. We leverage our capabilities to design equipment which we believe helps in automation of bulk material handling such as conveyor systems, storage solutions, loading and unloading systems and crushing and screening equipment. We also design, engineer, manufacture, commission and integrate material processing systems such as crushing and screening systems, roller conveyor, feeder breaker, suspended magnets, double roller, bucket elevator, belt conveyors, dust extraction system and motorized slide gates, each tailored to handle diverse types of materials efficiently and reliably.

Our prominent MHS projects include:

| **Material handling system (Bulk material handling systems)** |
|---|

Design, engineering, manufacture, supply, erection, testing and commissioning of rapid loading system for handling coal

- *Client:* RVR Projects Private Limited
- *Purpose:* structural works
- *Description:* rapid loading system for handling coal
- *Value:* ₹1,670 million
- *Location:* Nagpur

**Material Processing Systems (Material Handling System)**

Construction of dry tails filtration project and tails processing project

- *Client:* Arcelor Mittal Nippon Steel India Limited
- *Purpose:* Construction of dry tails filtration project and tails processing project
- *Description:* Construction of 150 TPH filtration plant with dry tails stacking system and construction of dry 150 TPH capacity dam tails reprocessing plant including services for civil, structural, equipment, piping works, building works, HVAC, electrical, instrumentation and automation works.
- *Location:* Kirandul, Chhattisgarh

***Engineering services:*** Our engineering services focuses executing projects in two areas of (i) heavy structural and precision engineering equipment and (ii) electrical instrumentation with automation. We believe that by leveraging our engineering services capabilities, we have expanded to niche industries like defense and aerospace. In the aerospace sector, we supplied three mobile launch pedestal for a national space research organisation. Our engineering services also support our PEB and MHS projects, which we believe allows for seamless design, development, and execution of projects, ensuring that all engineering processes are controlled and customized to meet the customer requirement of heavy structural and precision engineering.

Our prominent engineering services projects include:

**Engineering services (Electrical and automation engineering)**

Construction and electrical work of weaving sheds and warping sheds

- *Client:* Vensa Projects Private Limited
- *Value:* ₹147.58 million
- *Location:* Rajanna Siricilla, Telangana

| Engineering services (Heavy structural and precision engineering) | |
|---|---|
| Manufacture of power plant structures, spiral casings, draft tube elbow liners, bolted support structures and silos<br><br>• *Client:* A public sector undertaking which has been granted the Maharatna status by the Government of India.<br><br>• *Tonnage:* 2,270 MT<br><br>• *Location:* Hyderabad, Telangana | |

Over the years, we have expanded our presence within India and in particular in the states of Telangana, and Hyderabad. We have a strong track record of executing various complex and challenging engineering projects within India. (*Source: CARE Report*) Some of our unique projects are set out below:

| Name and description of the project | Image |
|---|---|
| Construction of 46 weaving sheds and 4 wrapping sheds at the weaving park, Sircilla, Telangana for Vensa Projects Private Limited |  |
| An electronics equipment manufacturing company collaborated with our Company to build an industrial shed warehouse for manufacturing of electronic products. | |
| Manufacturing unit for an e-commerce company. | |

Our key customers, which include some of the leading globally recognized blue chip brands, require the highest engineering, execution, quality and safety standards. We have established long-standing relationships with a number of our customers, including, ArcelorMittal Nippon Steel India Limited ("**AM/NS**"), JK Cement Limited, Navayuga Engineering Company Limited, Udaipur Cement Works Limited, among others. Our diverse client base spans multiple sectors, including e-commerce and logistics, electronics manufacturing, defense, aerospace, steel production, construction, power generation, and mining. We attribute this to our capability to deliver tailored engineering solutions that meet the specific demands of each industry while adhering to global standards.

We believe that our design and engineering expertise is the cornerstone of our success. Our engineering capabilities are supported by in-house design and engineering team which comprises of 175 qualified engineers, which constitute 25.81% of our total permanent employees as of December 31, 2024. Our in-house design and engineering team has an average experience of more than 12 years. Our design and engineering team is supported by dedicated project management team, which as on December 31, 2024 comprised 30 project managers and 362 employees including qualified welders and certified machine operators and shop floor workers.

We serve customers through five strategically located manufacturing units in Andhra Pradesh and Telangana. As on March 31, 2024, we had an aggregate installed capacity of 44,144 metric tonnes per annum ("**MTPA**"). Our backward integrated manufacturing capabilities, allow us to serve our customers across India. Further, as on December 31, 2024 we owned a fleet of 67 trucks and heavy vehicles, which reduces our dependence on third party logistic suppliers and allows us the ability to mobilise our resources for our project within a shorter lead time. We work with our customers to offer customized solutions as per customer specific requirements by understanding their needs and aligning our employees and resources to achieve optimal results. Additionally, we have invested in and continue to invest in automation and robotics in our manufacturing units through Ardee Yantrik Private Limited, which will allow us to expand our output while reducing cost and improving quality and productivity resulting in enhancement of the profit margin. These include hydraulic shearing machine, CNC press brake, standing seaming roll forming machine, auto seam machine, CNC plasma cutting, CZ purlin forming and welding assembler. We believe that this equipment base, along with the ability to source other high-tech equipment and our in-house capabilities allow us a quick turnaround time for mobilisation of resources for undertaking new projects.

Over the years, we have established a strong track record of successful project execution, delivering quality engineering solutions within the scheduled project timelines. We have a strong track record of executing various complex, challenging engineering projects in India. (*Source: CARE Report*) We have received completion bonus for one project as on December 31, 2024. Our aggregate Order Book as of September 30, 2024 was ₹7,612.81million. The breakup of our Order Book is set forth below:

(*₹ in million, except percentages*)

| Sr. No. | Business segment | Order book | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Amount as of September 30, 2024** | **Percentage as of September 30, 2024** | **Amount as of March 31, 2024** | **Percentage as of March 31, 2024** | **Amount as of March 31, 2023** | **Percentage as of March 31, 2023** | **Amount as of March 31, 2022** | **Percentage as of March 31, 2022** |
| 1. | Pre-engineered buildings | 2,428.37 | 31.90% | 1,040.24 | 14.41% | 1,012.77 | 17.38% | 431.95 | 13.60% |
| 2. | Material handling systems | 4,300.01 | 56.48% | 5,023.72 | 69.60% | 3,646.37 | 62.56% | 2,017.80 | 63.53% |
| 3. | Engineering services | 884.43 | 11.62% | 1,154.04 | 15.99% | 1,169.17 | 20.06% | 726.57 | 22.87% |
| | **Total** | **7,612.81** | **100.00%** | **7,218.00** | **100.00%** | **5,828.31** | **100.00%** | **3,176.32** | **100.00%** |

We ensure the highest standards of quality and safety and have received ISO 9001:2015 certified quality management system and adhere to industry accreditations. Our dual focus on quality in manufacturing and safety and timeliness in execution highlights our commitment to the highest quality and engineering standards. We have also received the ISO 45001:2018 certification, which is a testament to our high standards of occupational health and safety management system.

Our Company was founded by our Promoters, Chandra Sekhar Moturu and Ragdeep Moturu, who have rich experience in the engineering solutions industry since 2008. Both of them are qualified engineers, and we believe that their leadership has cultivated a culture of innovation and excellence. Arundeep Moturu and Krishna Kumari Moturu, who are also Promoters and Executive Directors, add further strength to our leadership with their engineering experience. Krishna Kumari Moturu, who also serves as our Chief Financial Officer, plays a vital role in driving our financial strategy and ensuring sustainable growth. Our founders-led management team, supported by an in-house engineering team with relevant educational qualifications and complementary skill sets, and we believe that it has been integral to the continued success of our business.

Our financial performance for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, based on the Restated Financial Information, are set forth in the table below:

| Sr. No. | Particulars | Units | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| ***Financial KPIs*** | | | | | | |
| 1. | Revenue from Operations | ₹ in million | 2,882.82 | 6,209.90 | 3,312.52 | 2,168.64 |
| 2. | Closing Order Book | ₹ in million | 7,612.81 | 7,218.00 | 5,828.31 | 3,176.32 |
| 3. | EBITDA | ₹ in million | 350.59 | 606.49 | 248.59 | 90.96 |
| 4. | EBITDA Margin | % | 12.11% | 9.74% | 7.49% | 4.18% |
| 5. | Profit after tax (PAT) | ₹ in million | 155.97 | 291.05 | 109.13 | 12.86 |
| 6. | PAT Margin | % | 5.39% | 4.67% | 3.29% | 0.59% |
| 7. | Total Equity | ₹ in million | 1,030.97 | 873.11 | 331.31 | 120.78 |
| 8. | Net Debt | ₹ in million | 1,654.82 | 1,605.71 | 725.75 | 712.58 |
| 9. | Net Debt to Total Equity ratio | Times | 1.61x | 1.84x | 2.19x | 5.90x |
| 10. | Net Debt to EBITDA ratio* | Times | 4.72x | 2.65x | 2.92x | 7.83x |
| 11. | Return on Equity (RoE) * | % | 15.13% | 33.33% | 32.94% | 10.65% |
| 12. | Return on Capital Employed (RoCE) * | % | 11.04% | 20.97% | 16.16% | 7.80% |
| ***Business KPIs*** | | | | | | |

| Sr. No. | Particulars | Units | Six months ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| 13. | Revenue Split by Segment[#]: | | | | | |
| | Pre-engineered buildings | ₹ in million | 1,447.20 | 3,111.75 | 1,353.83 | 1,556.62 |
| | Material Handling Systems | ₹ in million | 705.41 | 1,221.21 | 1,508.47 | 329.35 |
| | Engineering Services | ₹ in million | 711.90 | 1,872.11 | 444.10 | 282.67 |

*[*]Not annualised for September 30, 2024, [#]Does not include Revenue from scrap sales*

*Note:*

*a. Revenue from operations means the revenue from operations for the period / year.*

*b. Closing Order Book is the total value of orders pending to be executed as on the relevant date. It is calculated as opening balance of order book value plus new orders received during the period / year minus billing done during the period / year.*

*c. EBITDA refers to Earnings before Interest, Taxes, Depreciation and amortization; and it is computed as Restated profit before exceptional items and tax plus Finance Cost plus Depreciation and amortization.*

*d. EBITDA Margin is EBITDA during a given period / year as a percentage of Total Income for that period / year.*

*e. Profit after tax (PAT) = Profit after tax for the period/year as per restated financial information.*

*f. PAT Margin is PAT during a given period / year as a percentage of Total Income for that period / year.*

*g. Total Equity means the total equity for the period/year end as per restated financial information*

*h. Net Debt is computed as Non-current Borrowings plus Current Borrowings plus Current and Non-current lease liabilities less Cash and Cash equivalents, Bank balances and Deposits with maturity more than 12 months.*

*i. Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA for the period / year.*

*j. Net Debt to Total Equity ratio is calculated as Net Debt divided by Total Equity., Return on Equity (RoE) = PAT divided by Total Equity for the period / year.*

*k. Return on Capital Employed (ROCE) is calculated as Profit before Interest and Taxes divided by Total Capital Employed. Total Capital Employed is Total Equity minus Intangible assets plus Non-current and Current Borrowings plus Deferred Tax Liability (net) as at the period/year end.*

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, prospects, results of operations and financial conditions are affected by a number of factors, including the following:

### *Demand for our PEB, MHS, and Engineering Solutions*

Our business, prospects, results of operations, and financial condition are influenced by the demand for our PEB, MHS, and engineering solutions. We intend to increase our market share and capitalise on the growth in PEB and MHS industries in India. Furthermore, the increasing adoption of composite steel structures, presents additional opportunities for our services in commercial and residential building construction. *(Source: CARE Report)* Within the PEB market, warehouses, cold storage facilities and data centres is expected to experience the highest growth. *(Source: CARE Report)* The Indian MHS market is projected to grow at a CAGR of 10% from CY 2024 to CY 2029, supported by industrialization and infrastructure development across sectors such as construction, mining, cement, and steel. Simultaneously, the heavy structural and precision engineering market is expected to expand at a CAGR of 9% during the same period, driven by advancements in sectors like defense, aerospace, power, and railways. *(Source: CARE Report)* We believe that the growing PEB and MHS industries positively impact us by creating increased demand for our wide range of services and offering significant growth potential

These markets are supported by trends such as automation, robotics, energy-efficient systems, and integrated solutions, which enhance efficiency, safety, and cost savings. However, challenges including high initial investments, supply chain disruptions, workforce skill gaps, and stringent environmental regulations pose potential hurdles to growth.

Our extensive experience, integrated capabilities, and established market presence enable us to leverage these opportunities effectively. By offering customized and turnkey solutions, we are positioned to address evolving customer needs and capitalize on the growth of these industries. Nonetheless, slower-than-anticipated growth or fluctuations in demand may impact our business, financial condition, and operating results.

### *Availability and price of raw materials*

Our operations in PEB, MHS, and Engineering Solutions rely on essential raw materials, including steel (hot-rolled plates, galvanized steel coil sheets, and standard hot-rolled sections), cement, and fuel. The prices of these materials are subject to fluctuations driven by market dynamics.

We procure raw materials through purchase orders with third-party suppliers and do not have long-term agreements in place. Consequently, the pricing and availability of these materials depend on market conditions, and securing substitute suppliers with the required specifications may involve challenges.

A significant portion of our customer contracts operates on fixed or pre-determined pricing, which does not account for increases in raw material costs. Additionally, any interruptions or shortages in the supply of raw materials could impact the production capacities of our manufacturing units. This, in turn, may influence our ability to meet production and sales targets across PEB and MHS business.

***Our ability to execute and expand our order book including our bidding and execution capabilities***

As of December 31, 2024, our order book was of ₹8,929.55 million, representing potential revenues to be recognized in future periods from existing orders. The revenue anticipated from our order book is subject to various factors, including the execution and completion of ongoing projects, and may not always materialize as expected. Additionally, the number of orders in the past and the current order book may not be indicative of future orders or growth.

Execution of orders involves addressing multiple factors, such as ensuring timely availability of raw materials, managing cost variations, mitigating delays due to force majeure events, and adhering to project schedules. Projects may also face challenges arising from unanticipated disruptions, operational hazards, socio-political developments, or other external circumstances that could impact timely execution.

We regularly bid for projects that are awarded through competitive processes, which consider technical capabilities, past performance, financial credentials, and experience. The nature and value of previously executed contracts are critical in meeting pre-qualification criteria for future bids. For certain higher-value contracts, joint ventures or collaborations with other qualified companies may be necessary.

Project execution timelines depend on various external factors, such as the acquisition of land, obtaining required approvals, funding arrangements, and timely mobilization of resources. Delays in project completion can lead to deferred payments from customers, potentially impacting cash flows. Efficient management of equipment, coordination between project sites and offices, and vendor relationships are essential for maintaining execution schedules.

These factors collectively influence our ability to bid for and execute projects, as well as to expand and monetize our order book within expected timeframes.

***Key project expense drivers***

Our profitability and margins are impacted by various costs incurred in financing and executing our projects, including cost of construction, cost of materials consumed, and finance costs.

Our cost of construction includes, sub-contracting expenses, stores and spares consumed, power and fuel costs, equipment hire charges, site installation, technical consultancy and freight and handling charges. Our cost of materials consumed relates to construction materials such as steel and cement. Prices for each of these components can be volatile and depend on commodity, labour and other prices in the markets in which we operate, which, in turn, depend on changes in global economic conditions, industry cycles, supply-and-demand dynamics, and market speculation, among other factors. Most of our customer contracts allow us to claim for an increase in certain costs. There are two types of escalation clauses typically found in our contracts. The first category of clauses requires the customer to reimburse us in case of a variation in the prices of key construction materials (such as, steel and cement) based on actual costs incurred. The second category of clauses include a formula that splits the contract into pre-defined components such as cement, steel, other materials, plant and machinery, labour and fuel; and links the escalation in amounts payable by the customer to pre-defined price indices published periodically by the RBI or the Government of India or other relevant authorities. Some of our fixed-price contracts do not include any price variation or escalation clauses, in which case we bear the entire risk of price increases.

***Expansion of our manufacturing capabilities and capacity utilization***

Our manufacturing units are vertically integrated, enabling us to engage comprehensively in the entire product lifecycle which includes designing, engineering, and manufacturing our products with an aggregate installed capacity of 44,144 MTPA as on Fiscal 2024. A portion of the proceeds from the Fresh Issue, as outlined in the section "***Objects of the Offer***" on page 112, will be utilized to fund this expansion. The proposed new facilities will be designed to integrate advanced technology and optimized processes to address the expected market demand.

The planned expansion focuses on increasing production capacity, enhancing operational efficiency through automation, and ensuring consistency and quality across all operations by adhering to standardized manufacturing processes. Sustainability measures, such as energy-efficient systems and waste management initiatives, will also be incorporated into the expansion plan.

The ability to successfully expand our capacity will depend on managing the increase in expenditures associated with the expansion and ensuring the timely completion and commissioning of the new facilities. As the additional capacity comes into operation and aligns with market demand, we expect production volumes to increase.

## MATERIAL ACCOUNTING POLICIES

### 1. Corporate information

Ardee Engineering Limited (the "**Company**", "**Ardee**" or the "**Parent Company**") is a design, engineering and manufacturing entity formed in year 2008 as a partnership firm. On July 20, 2020, the partnership firm was converted into private limited company under the provisions of the Companies Act, 2013. Later, the Company was converted from private limited company to public limited company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 5, 2024 and consequently the name of the Company was changed to Ardee Engineering Limited with effect from August 5, 2024. The registered office is located at H. No. 8-2-334/K/1, Flat Nos. 101, 102 and 103, Aditya Court, Road No. 5, Banjara Hills, Hyderabad 500034, Telangana, India.

The Company is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions. Infrastructure, irrigation, mining and minerals, ports, power and oil and gas, are the major sectors where Ardee has operated in.

The Restated Financial information comprise the financial information of the Company and its interest in associate (refer Note 38) for the six months ended September 30, 2024 and for the year ended March 31, 2024.

### 2. Summary of Material accounting policies

These notes provides a list of the material accounting policies adopted in the preparation of this Restated Financial Information. These policies have been consistently applied to all the reporting period/years presented, unless otherwise stated.

### 2.1 Basis of preparation

### (a) Statement of compliance

The Restated Financial Information of the Company has been specifically prepared for inclusion in the Draft Red Herring Prospectus ("**DRHP**") 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 Financial Information of the Company and its interest in associate comprise the restated consolidated statement of assets and liabilities as at September 30, 2024 and March 31, 2024, 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 for the six months ended September 30, 2024 and for the year ended March 31, 2024; and restated standalone statement of assets and liabilities as at March 31, 2023 and March 31, 2022, the restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of cash flows, the restated standalone statement of changes in equity for the years ended March 31, 2023 and March 31, 2022, and statement of material accounting policies to Restated Financial Information and statement of adjustments to the Restated Financial Information (hereinafter collectively referred to as "**Restated Financial Information**").

The Restated Financial Information has been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective as at September 30, 2024. The Restated Financial Information has been approved by the Board of Directors on March 17, 2025.

The Restated Financial Information has been prepared by the management of the Company to comply 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 (the "**SEBI ICDR Regulations**");

c) E-mail dated October 28, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("**SEBI Communication**"); and

d) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI (the "**Guidance Note**")

The Restated Financial Information have been prepared by the Management of the company and compiled from:

I. Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Company and its associate as at and for the six months ended September 30, 2024 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 March 17, 2025.

II. Audited Consolidated Financial Statements of the Company and its associate as at and for the year ended March 31, 2024 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 September 17, 2024;

III. Audited Special Purpose Ind AS Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2023 prepared in accordance with the 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 September 17, 2024; and

IV. Audited Special Purpose Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2022 prepared in accordance with the 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 September 17, 2024.

The Company has prepared the Special Purpose Financial Statements (Standalone) as at and for the year ended March 31, 2022 (referred as "Special Purpose Ind AS Financial Statements") as per following basis:

The Special Purpose Financial Statements (Standalone) of the Company as at and for the year ended March 31, 2022, have been prepared by the management of the Company 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. April 1, 2022.

Suitable restatement adjustments (both re-measurements and reclassifications) as per Ind AS 101, are made to these Financial Statements for the year ended March 31, 2022.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company has voluntarily adopted March 31, 2024, as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently April 1, 2022, as the transition date for preparation of its statutory financial statements for the year ended March 31, 2024. Hence, the general purpose financial statements for the year ended March 31, 2024, were the first financials statements, prepared in accordance with Ind AS. Upto the financial year ended March 31, 2023, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("**Indian GAAP**" or "**Previous GAAP**").

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 Audited Special Purpose Financial Statements (Standalone) have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in Offer document in relation to the proposed Offer As such these Audited Special Purpose Financial Statements (Standalone) are not suitable for any other purpose other than for the purpose of preparation of Restated 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 Company in preparation of the Restated Financial Information and are consistent with those adopted in the preparation of financial statements for the six months ended September 30, 2024. This Restated 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 Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI 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;

Sb. 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 Company for the six months ended September 30, 2024 and the requirements of the SEBI ICDR Regulations, if any; and

c. The resultant impact of tax due to the aforesaid adjustments, if any.

d. do not require any adjustments for modifications as there is no modification in the underlying audit reports.

**(b) Basis of measurement**

This restated financial information has been prepared on accrual basis and under historical cost convention, except for the following items (refer to individual accounting policies for detail):

i. Certain financial instruments - Fair value through profit or loss
ii. Net defined benefit asset / (liability) - Present value of defined benefit obligations

The Company has prepared the financial information on the basis that it will continue to operate as a going concern.

**(c) Functional and presentation currency**

The restated financial information is presented in Indian Rupees (Rs.) which is also the functional and presentation currency of the Company. All the amounts disclosed in the financial information which also include the accompanying notes have been rounded off to the nearest millions except for share and per share data and where otherwise stated, up to two decimal places as per the requirement of Schedule III to the Companies Act 2013.

**(d) Use of estimates**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information are disclosed in note no 3.

**(e) Classification between - Current and Non-current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;

- Held primarily for the purpose of trading;

- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

**Operating Cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of its assets and liabilities as current and non-current.

**2.2 Basis of consolidation**

The restated financial information presented for the reporting period/years include the financial statements of the Company and its share in associate accounted in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

Associates are entities over which the Company exercise significant influence but does not control. Significant influence is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Company in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Company's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the financial information.

An investment in an associate is initially recognised at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the associate in the net profits as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

**Summary of material accounting policies**

### 2.3 Property, plant and equipment

Property, plant and equipment ("**PPE**") are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the period/year in which they are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**Depreciation methods, estimated useful lives**

Depreciation on property, plant and equipment is provided on a pro-rata basis on the Straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life, residual values and the depreciation method are reviewed at the end of each reporting period, with effect of any change in estimate accounted for on a prospective basis.

The useful life of assets are as follows:

| Tangible assets | Useful life as per Schedule II | Useful life estimated by the management based on technical assessment |
|---|---|---|
| Buildings | 30 years | 15 - 30 years |
| Plant and machinery | 15 years | 15 years |
| Furniture and fixtures | 10 years | 10 years |
| Computers | 3 years | 3 years |

| | | |
|---|---|---|
| Office equipments | 5 years | 5 - 10 years |
| Vehicles | 8 years | 8-15 years |

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

In case of a revision of useful lives, the unamortized depreciable amount is charged over the revised remaining useful life.

### 2.4 Intangible assets

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. The cost comprises its purchase price and directly attributable cost of preparing the asset for its intended use. Amortisation is recognised on a Straight-line method basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and the amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The useful life of asset is as follows:

| Asset | Useful lives |
|---|---|
| Software | 5 years |

### 2.5 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a Company of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or Group of assets (the “**cash-generating unit**”).

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit's (“**CGU**”) fair value less costs of disposal and its value in use.

### 2.6 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

**Company as a lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use asset at the lease commencement date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer 2.5 Impairment of non-financial assets above.

**Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of land and Buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**2.7 Fair value measurement**

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 Company.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**2.8 Inventories**

Inventories are valued at the lower of cost and net realisable value.

**i. Raw materials, components and stores and spares:**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

**ii. Work-in-progress:**

Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a moving weighted average basis.

**iii. Scrap:**

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**2.9 Revenue from contract with customers**

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Contract with customers include pre-engineered building, material handling and engineering contracts along with erection and installation services. All the supplies and services are considered as one performance obligation as the Company believes underlying goods and services are single performance obligation, single commercial objective or the consideration in one contract depends on another.

In respect of the contracts, revenue is recognised over a period of time using the input method (equivalent to percentage of completion method POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Percentage of completion is determined on the basis of proportion of the costs of shipment made and cost of erection incurred as against the total estimated cost of shipment and erection.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of a third party. Payment terms agreed with a customer are as per business practice, and there is no financing component involved in the transaction price.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance/settlement by the customers.

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

**Interest income**

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

**Contract balances**

**a. Contract Assets:**

Revenue earned but not billed to customers against contract with customers is reflected as unbilled revenue under "Other financial assets" because the receipt of consideration is conditional on Company's performance under the contract (i.e. transfer control of related goods or services to the customer). Upon completion of the installation and acceptance by the customer, the amount recognised as unbilled revenue is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in note 2.13 Financial instruments– initial recognition and subsequent measurement.

**b. Trade Receivables:**

A 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 the accounting policies of financial assets in note 2.13 (Financial instruments – initial recognition and subsequent measurement).

**c. Contract Liabilities:**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. These amounts are reflected as Advance from customers under "Other liabilities". 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).

## 2.10 Retirement and other employee benefits

### Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

### Defined benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

**2.11 Taxes**

Tax expense for the period/year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the period/year.

**Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year/period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial information. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.12 Provisions, contingent liabilities and contingent assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past event but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, (in the case of financial assets not recorded at fair value through restated statement of profit and loss) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed off in the statement of profit and loss. Trade receivable that does not contain a significant financing component are measured at transaction price.

**Classification and subsequent measurement:**

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition and impairment losses (if any) are recognised directly in profit or loss.

The Company's financial assets at amortised cost includes trade receivables and security deposit.

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 FVOCI. Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Company has not designated any financial asset (debt instruments) at FVTOCI.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

The Company has designated investments in mutual funds (debt instruments) in this category.

**Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's summary statements of assets and liabilities) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12- month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities and equity**

An instruments issued by a 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 the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

**Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss:** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Financial liabilities at amortised cost:** Financial liabilities are subsequently carried at amortised cost using the effective interest method.

This category generally applies to borrowings. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

**Offsetting 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 assets and settle liabilities 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 Company or the counterparty.

**2.14 Investments in the nature of equity in Associate**

Investment in associate are accounted for using the 'equity method' less accumulated impairment, if any.

**2.15 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year.

The weighted average number of equity shares outstanding during the year/periods adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares.

**2.16 Segment Reporting**

**Identification of segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors monitors the operating results as a single segment considering activities of manufacturing, supply, erection and installation of pre- engineered buildings, material handling solutions and related services as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

**3. Significant accounting judgments, estimates and assumptions**

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

**3.1. Judgements / estimates**

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year, are described below:

a. The Company based its assumptions and estimates on parameters available when the financial information were prepared.

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

**(a) Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

Determining the expected losses, which are recognized in the period in which such losses become probable based on the expected total contract cost as of the reporting date.

**(b) Useful lives of property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful lives of the assets.

**(c) Contingent liabilities**

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(d) Provision for expected credit losses of trade receivables and contract assets**

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and the Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**(e) Defined benefit plans (Gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. The mortality table tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**(f) Deferred tax recognition**

Deferred tax asset ("**DTA**") is recognized only when and to the extent there is convincing evidence that the Company will have sufficient taxable profits in future against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, recent business performance and developments.

**4. Recent accounting pronouncements**

The Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Amendment Rules as issued from time to time. For the six months ended September 30, 2024, MCA has not notified any new standards or amendments relating to existing standards applicable to the Company.

## RESULTS OF OPERATIONS BASED ON RESTATED FINANCIAL INFORMATION

The following table sets forth select financial data from our restated statement of profit and loss for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods:

| Particulars | For six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) |
| Income | | | | | | | | |
| **Revenue from operations** | **2,882.82** | **99.61** | **6,209.90** | **99.70** | **3,312.52** | **99.86** | **2,168.64** | **99.63** |
| Other income | 11.26 | 0.39 | 18.47 | 0.30 | 4.70 | 0.14 | 8.04 | 0.37 |
| **Total income** | **2,894.08** | **100** | **6,228.37** | **100** | **3,317.22** | **100** | **2,176.68** | **100.00** |
| | | | | | | | | |
| Expenses | | | | | | | | |
| Cost of materials consumed | 1,450.76 | 50.13 | 4,080.48 | 65.51 | 2,170.91 | 65.44 | 1,460.06 | 67.08 |
| Changes in inventories of work-in-progress | 312.52 | 10.8 | 4.92 | 0.08 | (173.72) | (5.24) | (37.85) | (1.74) |
| Employee benefits expense | 166.08 | 5.74 | 272.56 | 4.38 | 204.61 | 6.17 | 142.67 | 6.55 |
| Finance costs | 114.48 | 3.96 | 156.01 | 2.50 | 72.44 | 2.18 | 50.13 | 2.30 |
| Depreciation and amortisation expense | 27.63 | 0.95 | 35.85 | 0.58 | 28.22 | 0.85 | 23.28 | 1.07 |
| Other expenses | 619.37 | 21.4 | 1,265.33 | 20.32 | 866.83 | 26.13 | 520.84 | 23.93 |
| **Total expenses** | **2,690.84** | **92.98** | **5,815.15** | **93.37** | **3,169.29** | **95.54** | **2,159.13** | **99.19** |
| | | | | | | | | |
| **Profit before share of profit from an associate and tax** | **203.24** | **7.02** | **413.22** | **6.63** | **147.93** | **4.46** | **17.55** | **0.81** |
| Share of profit from an associate | 5.24 | 0.18 | 1.41 | 0.02 | - | - | - | - |
| **Profit before tax** | **208.48** | **7.20** | **414.63** | **6.66** | **147.93** | **4.46** | **17.55** | **0.81** |
| | | | | | | | | |
| Tax expense | | | | | | | | |
| (i) Current tax for the year | 52.47 | 1.81 | 101.20 | 1.62 | 49.02 | 1.48 | 23.68 | 1.09 |
| (ii) Adjustment of income tax relating to earlier period / years (net) | - | - | 16.12 | 0.26 | - | - | - | - |
| (iii) Deferred tax | 0.04 | 0.00 | 6.26 | 0.10 | (10.22) | (0.31) | (18.99) | (0.87) |
| **Total tax expenses** | **52.51** | **1.81** | **123.58** | **1.98** | **38.80** | **1.17** | **4.69** | **0.22** |
| **Profit after tax** | **155.97** | **5.39** | **291.05** | **4.67** | **109.13** | **3.29** | **12.86** | **0.59** |
| | | | | | | | | |
| Other comprehensive income | | | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | | | | |
| (i) Remeasurement of defined benefit liability | 2.52 | 0.09 | 1.00 | 0.02 | 1.87 | 0.06 | - | - |

| Particulars | For six months ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) |
| (ii) Deferred tax relating to these items | (0.63) | (0.02) | (0.25) | 0.00 | (0.47) | (0.01) | - | - |
| **Total other comprehensive income, net of tax** | **1.89** | **0.07** | **0.75** | **0.01** | **1.40** | **0.05** | **-** | **-** |
| **Total comprehensive income** | **157.86** | **5.45** | **291.80** | **4.69** | **110.53** | **3.34** | **12.86** | **0.59** |

## Segment wise bifurcation of our revenue from operations

| Particulars | As at September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) | (in ₹ million) | Percentage of total income (%) |
| Income | | | | | | | | |
| Revenue from operations | | | | | | | | |
| (i) Pre-engineered building | 1,447.20 | 50.01 | 3,111.75 | 49.96 | 1,353.83 | 40.81 | 1,556.62 | 71.51 |
| (ii) Material handling solutions | 705.41 | 24.37 | 1,221.21 | 19.61 | 1,508.47 | 45.47 | 329.35 | 15.13 |
| (iii) Engineering and other supplies | 711.90 | 24.60 | 1,872.11 | 30.06 | 444.10 | 13.39 | 282.67 | 12.99 |
| (iv) Others (scrap sale) | 18.31 | 0.63 | 4.83 | 0.08 | 6.12 | 0.19 | - | - |
| **Total revenue from operations** | **2,882.82** | **99.61** | **6,209.90** | **99.70** | **3,312.52** | **99.86** | **2,168.64** | **99.63** |

**For the six months ended September 30, 2024**

***Total income***

Total income was ₹2,894.08 million for the six months ended September 30, 2024.

*Revenue from operations*

Revenue from operations was ₹2,882.82 million for the six months ended September 30, 2024. The revenue from operations is primarily attributable to the following:

- *Pre-engineered building*: Revenue from pre-engineered building was ₹1,447.20 million for the six months ended September 30, 2024.

- *Material handling solutions*: Revenue from material handling solutions was ₹705.41 million for the six months ended September 30, 2024.

- *Engineering and other supplies:* Revenue from material handling solutions was ₹711.90 million for the six months ended September 30, 2024.

- *Others (scrap sale):* Revenue from others (scrap sale) was ₹18.31 million for the six months ended September 30, 2024.

*Other income*

Other income was ₹11.26 million for the six months ended September 30, 2024, consisting primarily of interest income from bank deposits, liabilities no longer required written back etc.

***Expenses***

Total expenses were ₹2.690.84 million for the six months ended September 30, 2024. The details of our expenses are set forth below:

- *Cost of materials consumed*: Cost of materials consumed was ₹1,450.76 million for the six months ended September 30, 2024.

- *Changes in inventories of work-in-progress*: Changes in inventories of work-in-progress was ₹312.52 million for the six months ended September 30, 2024.

- *Employee benefits expense*: Employee benefits expense was ₹166.08 million for the six months ended September 30, 2024.

- *Finance costs*: Finance costs was ₹114.48 million for the six months ended September 30, 2024.

- *Depreciation and amortization expenses*: Depreciation and amortization expenses was ₹27.63 million for the six months ended September 30, 2024.

- *Other expenses*: Other expenses were ₹619.37 million for the six months ended September 30, 2024, which was principally attributable to job work, installation and erection charges, freight charges, rent, site civil work and power and fuel.

***Profit/ (loss) before tax***

Our profit before tax was ₹208.48 million for the six months ended September 30, 2024.

***Total Tax expenses***

Total tax expenses were ₹52.51 million in the six months ended September 30, 2024.

***Profit after tax***

Our profit after tax was ₹155.97 million for the six months ended September 30, 2024.

**Fiscal 2024 compared to Fiscal 2023**

***Total income***

Total income increased by ₹2,911.15 million, or 87.76%, from ₹3,317.22 million for Fiscal 2023 to ₹6,228.37 million for Fiscal 2024, primarily due to an increase in revenue from operations and other income.

*Revenue from operations*

Revenue from operations increased by ₹2,897.38 million, or 87.47%, from ₹3,312.52 million for Fiscal 2023 to ₹6,209.90 million for Fiscal 2024. The increase in revenue from operations is primarily attributable to the following:

- *Pre-engineered building*: Revenue from pre-engineered building increased by ₹1,757.92 million or 129.85%, from ₹1,353.83 million in Fiscal 2023 to ₹3,111.75 million in Fiscal 2024, which was principally attributable to growth in revenue from new customers and higher number of projects execution in Fiscal 2024 as compared to Fiscal 2023. In Fiscal 2022 and 2023, we (i) completed the execution of few large-scale orders, which resulted in higher eligibilities, resulting in the larger number of orders in Fiscal 2024; and (ii) invested in capital expenditure, increasing the inhouse manufacturing capacities which helped in achieving higher PEB revenue.

- *Material handling solutions*: Revenue from material handling solutions decreased by ₹287.26 million or 19.04% from ₹1,508.47 million in Fiscal 2023 to ₹1,221.21 million in Fiscal 2024, which was principally attributable to higher number of MHS projects executed in Fiscal 2023 as compared to Fiscal 2024. This is primarily due to the stage of execution in which many of the MHS projects were, with most of them being in design and engineering stage in Fiscal 2024, thereby not translating into revenue. Separately, more manufacturing capacity was being utilised for PEB due to higher volume of Order Book for PEB, and MHS was not able to take on or execute smaller MHS orders, as opposed to Fiscal 2023, where a large volume of smaller orders were executed.

- *Engineering and other supplies*: Revenue from engineering and other supplies increased by ₹1,428.01 million or 321.55%, from ₹444.10 million in Fiscal 2023 to ₹1,872.11 million in Fiscal 2024, which was principally attributable to growth in revenue from new customers and higher number of projects executed in Fiscal 2024 as compared to Fiscal 2023. Since a significant portion of engineering services orders were not depended on in-house manufacturing capacities, Fiscal 2024 saw a significant increase in the number of engineering services orders executed. Further, completion of significant orders in the preceding years gave us eligibility for a majority of these new orders.

- *Others (scrap sale)*: Revenue from others (scrap sale) decreased by ₹1.29 million or 21.08%, from ₹6.12 million in Fiscal 2023 to ₹4.83 million in Fiscal 2024, which was principally attributable to decrease in unit value of scrap due to the decline in the steel prices in Fiscal 2024 compared to Fiscal 2023.

*Other income*

Other income increased by ₹13.77 million or 292.98%, from ₹4.70 million in Fiscal 2023 to ₹18.47 million in Fiscal 2024, which was principally attributable to (i) an increase in interest income earned on bank deposits on account of an increase in revenue during Fiscal 2024, which resulted in facilitating more bank guarantees from the banks and correspondingly placing more margin money deposit against such bank guarantees, thereby increasing interest income from bank deposits by ₹4.35 million or 94.16% from ₹4.62 million in Fiscal 2023 to ₹8.97 million in Fiscal 2024; (ii) evaluation and writing back liabilities no longer required amounting to ₹8.92 million in Fiscal 2024, whereas no such liabilities were written back in Fiscal 2023; and (iii) recognising gain of ₹0.46 million in Fiscal 2024 on net gain on change in fair value of investment in mutual funds made as collateral security for borrowing of working capital, whereas no such revenue was recognised in Fiscal 2023.

***Expenses***

Total expenses increased by ₹2,645.86 million or 83.48%, from ₹3,169.29 million in Fiscal 2023 to ₹5,815.15 million in Fiscal 2024, primarily due an increase in cost of material consumed, changes in inventories of work-in-progress, and other expenses. Our total expenses represented 93.37% and 95.54% of our total income in Fiscals 2024 and 2023, respectively. The details of our expenses are set forth below:

- *Cost of materials consumed*: Cost of materials consumed increased by ₹1,909.57 million or 87.96%, from ₹2,170.91 million in Fiscal 2023 to ₹4,080.48 million in Fiscal 2024, in line with the increase in revenue as a result of growth in our Order Book and higher number of projects executed. Though the cost of raw materials consumed has increased, it is proportionate to the increase in revenue and the percentage of cost of raw materials to revenue has remained the same.

- *Changes in inventories of work-in-progress*: Changes in inventories of work-in-progress increased by ₹178.64 million or 102.83%, from ₹(173.72) million in Fiscal 2023 to ₹4.92 million in Fiscal 2024, primarily on account of higher work-in-progress. Fiscal 2023 had more MHS projects in progress in the month of March, as compared to Fiscal 2024 where more PEB projects were in progress. Many of the key PEB projects materialized in the end of the third quarter of Fiscal 2024, and therefore there was more raw material that was purchased in February and March which contributed to more material in factories under work-in-progress.

- *Employee benefits expense*: Employee benefits expense increased by ₹67.95 million or 33.21%, from ₹204.61 million in Fiscal 2023 to ₹272.56 million in Fiscal 2024, on account of (i) an annual increase in salaries and wages, bonus, contribution to provident and other funds and gratuity on account of increase in head count during Fiscal 2024 amounting to ₹54.05 million; and (ii) an increase in staff welfare expenses by ₹13.90 million primarily on account of increase in number of employees and increments during Fiscal 2024.

- *Finance costs*: Finance costs increased by ₹83.57 million or 115.36%, from ₹72.44 million in Fiscal 2023 to ₹156.01 million in Fiscal 2024, on account of an increase in interest expense on new borrowings availed and existing borrowings amounting to ₹76.85 million and balance ₹6.72 million due to increase in other borrowing costs amounting to ₹3.65 million on account of charges incurred on letter of credit and bank guarantee procured for more project execution during Fiscal 2024 and ₹3.07 million due to interest on income tax.

- *Depreciation and amortization expenses*: Depreciation and amortization expenses increased by ₹7.63 million or 27.04%, from ₹28.22 million in Fiscal 2023 to ₹35.85 million in Fiscal 2024, the increase reflects the depreciated value of assets for the year.

- *Other expenses*: Other expenses increased by ₹398.50 million or 45.97%, from ₹866.83 million in Fiscal 2023 to ₹1,265.33 million in Fiscal 2024, which was principally attributable to (i) an increase in job work, installation and erection charges, labour charges, freight charges, rent and site civil works amounting to ₹459.97 million, from ₹637.44 million in Fiscal 2023 to ₹1,097.41 million in Fiscal 2024 due to increase in revenue from operations during Fiscal 2024; (ii) no credit impaired trade receivable and write-off in Fiscal 2024 as compared to ₹32.49 million in Fiscal 2023 on debts impaired and not recoverable; and (iii) legal and professional charges declined ₹51.51 million in Fiscal 2024 compared to Fiscal 2023 due to technical consultancy services availed for design, engineering and equipment inspection for the specific large-scale projects in Fiscal 2023

***Profit before tax***

As a result of the factors outlined above, our profit before tax increased by ₹266.70 million or 180.29%, from ₹147.93 million for Fiscal 2023 compared to ₹414.63 million for Fiscal 2024.

***Tax expenses***

Total tax expenses increased by ₹84.78 million or 218.51%, from ₹38.80 million for Fiscal 2023 to ₹123.58 million for Fiscal 2024, which was principally attributable to an overall increase in tax expenses as compared to Fiscal 2023 on account of increase in revenue from operations and other income and rationalization of costs.

***Profit after tax***

As a result of the factors outlined above, our profit for the year increased by ₹181.92 million or 166.70% from ₹109.13 million for Fiscal 2023 compared to ₹291.05 million for Fiscal 2024.

**Fiscal 2023 compared to Fiscal 2022**

***Total income***

Total income increased by ₹1,140.54 million, or 52.40%, from ₹2,176.68 million for Fiscal 2022 to ₹3,317.22 million for Fiscal 2023, primarily due to an increase in revenue from operations.

*Revenue from operations*

Revenue from operations increased by ₹1,143.88 million, or 52.75%, from ₹2,168.64 million for Fiscal 2022 to ₹3,312.52 million for Fiscal 2023. The increase in revenue from operations is primarily attributable to the following:

- *Pre-engineered building*: Revenue from pre-engineered building decreased by ₹202.79 million or 13.03%, from ₹1,556.62 million in Fiscal 2022 to ₹1,353.83 million in Fiscal 2023, which was principally attributable to many of the PEB projects being in final stage of completion. Further, our manufacturing capacities were being utilised for undertaking MHS projects which further restricted our opportunities to expand in PEB.

- *Material handling solutions*: Revenue from material handling solutions increased by ₹1,179.12 million or 358.01% from ₹329.35 million in Fiscal 2022 to ₹1,508.47 million in Fiscal 2023, which was principally attributable to an increase in new projects from the existing customers, and the stage in which most of these projects were in Fiscal 2023 (completed with design and engineering approvals). This helped in focusing on manufacturing such MHS systems.

- *Engineering and other supplies*: Revenue from engineering and other supplies increased by ₹161.43 million or 57.11%, from ₹282.67 million in Fiscal 2022 to ₹444.10 million in Fiscal 2023, which was principally attributable to an increase in new projects from the existing customers and increase of ₹27.16 million in revenue from new customers.

- *Others (scrap sale)*: Revenue from others (scrap sale) increased by ₹6.12 million from ₹0.00 in Fiscal 2022 to ₹6.12 million in Fiscal 2023, which was principally attributable to scrap sold in Fiscal 2023 compared to no sale of scrap in Fiscal 2022

*Other income*

Other income decreased by ₹3.34 million or 41.54%, from ₹8.04 million in Fiscal 2022 to ₹4.70 million in Fiscal 2023, which was principally attributable to (i) an increase in interest on fixed deposits amounting to ₹2.05 million (ii) a gain in fair value adjustment of inter corporate deposit on account of transition to Ind AS amounting to ₹5.43 million in Fiscal 2022.

***Expenses***

Total expenses increased by ₹1,010.16 million or 46.79%, from ₹2,159.13 million in Fiscal 2022 to ₹3,169.29 million in Fiscal 2023, primarily due to an increase in cost of materials consumed, employee benefits expense and other expenses. This was partially offset by changes in inventories of work-in-progress. Our total expenses represented 95.54% and 99.19% of our total income in Fiscals 2023 and 2022, respectively. The details of our expenses are set forth below:

- *Cost of materials consumed*: Cost of materials consumed increased by ₹710.85 million or 48.69%, from ₹1,460.06 million in Fiscal 2022 to ₹2,170.91 million in Fiscal 2023, in line with the increase in revenue during Fiscal 2023. Though the cost of raw materials consumed has increased, it is proportionate to the increase in revenue and the percentage of cost of raw materials to revenue has infact decreased.

- *Changes in inventories of work-in-progress*: Changes in inventories of work-in-progress decreased by ₹135.87 million or 358.97%, from ₹(37.85) million in Fiscal 2022 to ₹(173.72) million in Fiscal 2023, on account of higher closing work-in-progress inventory of Fiscal 2023 compared to Fiscal 2022. Due to a higher percentage of MHS projects under execution the number of inventories in work-in-progress is significantly lesser due to the nature of the vertical.

- *Employee benefits expense*: Employee benefits expense increased by ₹61.94 million or 43.41%, from ₹142.67 million in Fiscal 2022 to ₹204.61 million in Fiscal 2023, on account of (i) an annual increase in salaries and wages, contribution to provident and other funds and gratuity on account of increase in head count during Fiscal 2023 amounting to ₹58.14 million; (ii) an increase in staff welfare expenses by ₹3.81 million in Fiscal 2023 as compared to Fiscal 2022 due to corresponding increase in headcount.

- *Finance costs*: Finance costs increased by ₹22.31 million or 44.50%, from ₹50.13 million in Fiscal 2022 to ₹72.44 million in Fiscal 2023, on account of (i) an increase in interest expense amounting to ₹25.64 million primarily due to increase in borrowings; and (ii) other borrowing cost amounting to ₹3.33 million attributable to letter of credit charges and loan processing charges incurred in Fiscal 2023.

- *Depreciation and amortization expenses*: Depreciation and amortization expenses increased by ₹4.94 million or 21.22%, from ₹23.28 million in Fiscal 2022 to ₹28.22 million in Fiscal 2023, the increase reflects the depreciated value of assets for the year.

- *Other expenses*: Other expenses increased by ₹345.99 million or 66.43%, from ₹520.84 million in Fiscal 2022 to ₹866.83 million in Fiscal 2023, which was principally attributable to (i) an increase in job work, installation and erection charges, labour charges, freight charges and rent, amounting to ₹293.92 million from ₹326.69 million in Fiscal 2022 to ₹620.61 million in Fiscal 2023 due to increase in revenue from operations in Fiscal 2023; (ii) an increase in credit impaired trade receivables and write off amount of ₹32.49 million in relation to debts impaired and not recoverable in Fiscal 2023 as compared to ₹0.03 in Fiscal 2022; (iii) an increase in legal and professional charges amounting to ₹60.21 million in Fiscal 2023 as compared to ₹3.49 million Fiscal 2022 on account increase of ₹56.72 million due to technical consultancy services availed for design, engineering and equipment inspection for the specific large-scale projects in Fiscal 2023; and (iv) decline in provision for credit impaired trade receivables by ₹34.40 million in Fiscal 2023 which was ₹76.27 million in Fiscal 2022.

***Tax expenses***

Total tax expenses increased by ₹34.11 million or 727.29%, from ₹4.69 million for Fiscal 2022 to ₹38.80 million for Fiscal 2023, which was principally attributable to an overall increase in tax expenses as compared to Fiscal 2023 on account of increase in profit before tax.

***Profit after tax***

As a result of the factors outlined above, our profit for the year was ₹109.13 million for Fiscal 2023 compared to ₹12.86 million for Fiscal 2022.

**Cash flows**

The following table sets forth certain information relating to our cash flows for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022:

*(₹ in million)*

| Particulars | For the six months ended September 30, 2024 | For the Fiscal March 31, 2024 | For the Fiscal March 31, 2023 | For the Fiscal March 31, 2022 |
|---|---|---|---|---|
| Net cash flow from/ (used in) operating activities | 138.32 | (463.68) | 89.51 | (246.42) |
| Net cash flow used in investing activities | (66.06) | (692.85) | (147.14) | (104.79) |
| Net cash flows generated from/ (used in) financing activities | (72.53) | 907.02 | 307.81 | 348.53 |

***Net cash flow from /(used in) operating activities***

*Six months ended September 30, 2024*

Net cash from operating activities for the six months ended September 30, 2024 was ₹138.32 million. Our profit before tax was ₹208.48 million, which was primarily adjusted against interest expense on borrowings measured at amortized cost of ₹95.31 million, depreciation and amortization expense of ₹27.63 million and other borrowing costs of ₹18.27 million and partially offset by liabilities no longer required written back of ₹(6.00), share of profit from an associate of ₹(5.24) million and interest income on fixed deposits of ₹(4.83) million. Our operating profit before working capital changes was ₹339.64 million in six months ended September 30, 2024. The adjustments in working capital in six months ended September 30, 2024 primarily consisted of: (i) trade receivables of ₹(288.04) million; (ii) other assets of ₹(47.52) million; (iii) other financial liabilities ₹(52.92) million; (iv) other financial assets ₹49.01 million; (v) trade payables of ₹22.83 million; and (vi) other liabilities of ₹148.32 million. Cash flow from operations was ₹176.72 million and income tax paid (net of refund) was ₹(38.40) million.

*Fiscal 2024*

Net cash flow used in operating activities for Fiscal 2024 was ₹(463.68) million. Our profit before tax was ₹414.63 million, which was primarily adjusted against depreciation and amortization of ₹35.85 million, interest expense on borrowings measured at amortized cost of ₹142.37 million, provision for credit impaired trade receivables of ₹24.07 and partially offset by interest income on fixed deposits of ₹(8.97) million and liabilities no longer required written back of ₹(8.92) million. Our operating profit before working capital changes was ₹608.92 million in Fiscal 2024. The adjustments in working capital in Fiscal 2024 primarily consisted of (i) trade receivables of ₹(742.95) million; (ii) other financial assets of ₹(522.00) million; (iii) inventories of ₹(236.97) million; (iv) other liabilities of ₹(267.55) million; (v) trade payables of ₹901.37 million; (vi) other financial liabilities of ₹62.23 million; and (vii) provisions of ₹4.34 million. Cash flow used in operations was ₹(349.15) million and income tax paid (net of refund) was ₹(114.53) million.

*Fiscal 2023*

Net cash flow from operating activities for Fiscal 2023 was ₹89.51 million. Our profit before tax was ₹147.93 million, which was primarily adjusted against interest expense on borrowings measured at amortized cost of ₹66.27 million, provision for credit impaired trade receivables of ₹41.87 million, depreciation and amortization of ₹28.22 million, credit impaired trade receivables written off ₹32.49 million and partially offset by interest income on fixed deposit of ₹(4.62) million and interest income on security deposits of ₹(0.05) million. Our operating profit before working capital changes was ₹317.54 million in Fiscal 2023. The adjustments in working capital in Fiscal 2023 primarily consisted of (i) trade receivables of ₹(206.87) million; (ii) other financial assets of ₹(146.57) million; (iii) inventories of ₹(122.10) million; (iv) trade payables of ₹278.74 million; (v) other assets of ₹20.08 million; (vi) other financial liabilities of ₹3.80; and (vii) provision of ₹2.68 million. Cash flow from operations was ₹139.20 million and income tax paid (net of refund) was ₹(49.69) million.

*Fiscal 2022*

Net cash flow used in operating activities for Fiscal 2022 was ₹(246.42) million. Our profit before tax was ₹17.55 million, which was primarily adjusted against provision for credit impaired trade receivables of ₹76.27 million, depreciation and amortization expense of ₹23.28 million, interest expense on borrowings measured at amortized cost of ₹40.96 million, and partially offset by interest income on fixed deposit of ₹(2.57) million and interest income on security deposits of ₹(0.04) million. Our operating profit before working capital changes was ₹164.65 million in Fiscal 2022. The adjustments in working capital in Fiscal 2022 primarily consisted of (i) trade receivables of ₹(314.01) million; (ii) inventories of ₹(219.05) million; (iii) other financial assets of ₹(200.04) million; (iv) other liabilities ₹195.80 million; (v) trade payables of ₹168.08 million; (vi) other financial liabilities ₹11.10 million; and (vii) provision of ₹10.79 million. Cash flow used in operations was ₹(218.81) million and income tax paid (net of refund) was ₹(27.61) million.

***Net cash flow used in investing activities***

*Six months ended September 30, 2024*

Net cash flow used in investing activities for six months ended September 2024 was ₹(66.06) million. This reflected the purchase of property, plant and equipment and intangible assets (including capital work-in-progress) of ₹(70.56) million. This was partially offset by interest received on fixed deposits of ₹4.83 million.

*Fiscal 2024*

Net cash flow used in investing activities in Fiscal 2024 was ₹(692.85) million. This reflected (i) purchase of property, plant and equipment and intangible assets (including capital work-in-progress) of ₹(482.49) million; (ii) movement in bank balances other than cash and cash equivalent of ₹(208.18) million; (iii) investment in mutual funds of ₹(7.50) million; and (iv) investment in associate of ₹(5.45) million. This was partially offset by (i) interest received on fixed deposits of ₹8.97 million; and (ii) proceeds from sale of property, plant and equipment of ₹1.80 million.

*Fiscal 2023*

Net cash flow used in investing activities in Fiscal 2023 was ₹(147.14) million. This reflected (i) purchase of property, plant and equipment and intangible assets (including capital work-in-progress) of ₹(145.01) million; and (ii) movement in bank balances other than cash and cash equivalent of ₹(7.77) million. This was partially offset by interest received on fixed deposits of ₹4.62 million.

*Fiscal 2022*

Net cash flow used in investing activities in Fiscal 2022 was ₹(104.79) million. This reflected the purchase of property, plant and equipment and intangible assets (including capital work-in-progress) of ₹(141.71) million. This was partially offset by (i) proceeds from sale of property, plant and equipment of ₹32.68 million; (ii) interest received on fixed deposits of ₹2.57 million; and (iii) movement in bank balances other than cash and cash equivalent of ₹1.67 million.

***Net cash flows generated from/ (used in) financing activities***

*Six months ended September 30, 2024*

Our net cash flow used in financing activities was ₹(72.53) million for the six months ended September 30, 2024. This was primarily due to (i) repayment of long term borrowings of ₹(122.52) million; (ii) interest paid on borrowings of ₹(93.53) million; and (iii) other borrowing costs ₹(18.27) million. This was partially offset by (i) proceeds from long term borrowings of ₹72.60 million; and (ii) proceeds from short term borrowings (net) of ₹95.65 million.

*Fiscal 2024*

Our net cash flow from financing activities was ₹907.02 million in Fiscal 2024. This was primarily due to (i) proceeds from short term borrowings (net) of ₹479.72 million; (ii) proceeds from long term borrowings of ₹403.51 million; and (iii) proceeds from issuance of equity share capital including securities premium of ₹250.00 million. This was partially offset by (i) interest paid on borrowings of ₹(136.67) million; and (ii) repayment of long term borrowings of ₹(71.26) million.

*Fiscal 2023*

Our net cash flow from financing activities was ₹307.81 million in Fiscal 2023. This was primarily due to (i) proceeds from short term borrowings (net) of ₹367.95 million; and (ii) proceeds from long term borrowings of ₹56.30 million. This was partially offset by (i) interest paid on borrowings of ₹(62.21) million; and (ii) repayment of long-term borrowings of ₹(42.31) million.

*Fiscal 2022*

Our net cash flow from financing activities was ₹348.53 million in Fiscal 2022. This was primarily due to (i) proceeds from short-term borrowings (net) of ₹378.28 million; and (ii) proceeds from long term borrowings of ₹26.26 million. This was partially offset by (i) interest paid on borrowings of ₹(40.96) million; (ii) payment towards principal portion of lease liability of ₹(5.88) million; and (iii) interest paid on lease liabilities of ₹(3.00) million.

## INDEBTEDNESS

As of January 31, 2025, we had ₹3,621.82 million as outstanding borrowings including non-fund based credit limits. For further information on our indebtedness, see "***Financial Indebtedness***" on page 380.

## CONTINGENT LIABILITIES

The details of the contingent liabilities of our Company as per Ind AS 37, as on September 30, 2024, as indicated in our Restated Financial Information, are set forth below:

*(₹ in million)*

| Contingent liabilities | As at September 30, 2024 |
|---|---|
| ***Guarantees excluding financial guarantees*** | |
| The company has guaranteed to an unrelated party for the performance in a contract for the supply of goods and services | 748.41 |
| **Total** | 748.41 |

## OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

## RELATED PARTY TRANSACTIONS

We have, in the course of their business and operations, entered into transactions with related parties, such as sale of goods, purchase of goods, rendering of service during the year and loans and advances to directors.

For further information on our related party transactions, see "***Restated Financial Information - Related Party Transactions***" on page 332.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ON MARKET RISKS

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. We are exposed to certain market risks, credit risk and liquidity risk.

*Market risk*

Market risk arises from the Company's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

*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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

## UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

## SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT REVENUE FROM OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our revenue from operations identified above in "***— Significant factors affecting our Results of Operations and Financial Conditions***" and the uncertainties described in "***Risk Factors***" on pages 349 and 33, respectively.

## KNOWN TRENDS OR UNCERTAINTIES

Other than as described in "***Risk Factors***" on page 33 and this section, to our knowledge there are no known trends or uncertainties that have had or are expected have a material adverse impact on our sales, income or revenue from operations.

## EXPECTED FUTURE CHANGES IN RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in this section and "***Our Business***", and "***Risk Factors***" on pages 219 and 33, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

## SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

We derive a significant portion of our revenue from sale of goods and services from our top 5 customers and top ten suppliers. Please see "***Risk Factor - A majority of our revenue from operations is from our top 5 customers (which accounted for more than 60% of our total revenue from operations in the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022). Loss of any such customers or reduction in business or demand from such customers will have a significant adverse impact on our business and results of operation***" and "***Risk Factor - We rely on the availability of steel and other raw materials, as well as third-party suppliers and manufacturers, for the uninterrupted supply of raw materials. We do not have continuing or exclusive arrangements with any supplier, and our top 10 suppliers contribute to more than 50% of our total raw material and supply costs. The loss of key suppliers or delays in raw material deliveries could adversely impact our business, financial condition, results of operations, and cash flows***" on pages 34 and 37 respectively.

## TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT

Our Company is primarily engaged in the business manufacturing, supply, erection and installation of pre-engineered buildings, material handling solutions and related services which in context of Ind AS 108 'Segment Reporting' as referred to in Companies (Indian Accounting Standards) Rules, 2015, is considered as the only business segment. For further information, see "***Restated Financial Information***" on page 287.

## NEW BUSINESS SEGMENTS

There are no new business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

## COMPETITIVE CONDITIONS

We operate in a competitive environment. For further information, see "***Business – Competition***", "***Industry Overview***" and "***Risk Factors***" on pages 245, 156 and 33, respectively.

## SEASONALITY

Our business is affected by seasonal trends in the Indian economy. Our business and future growth are dependent on the growth of the commercial, infrastructure, and industrial landscape. For further information, see "***Risk Factor - Our business is seasonal in nature and any decrease in sales during certain quarters could have an adverse impact on our financial performance. Our business and future growth are dependent on the growth of the commercial, infrastructure, and industrial landscape. If the growth in these industries is slow or stagnant, it could have an adverse impact on our business, results of operations, financial condition and cash flows***" on page 58.

## RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

Except as disclosed below, there have been no reservations, qualifications, adverse remarks or emphasis of matters highlighted by our Joint Statutory Auditors in their examination report on the Restated Financial Information.

| Period | Nature of adverse observation | Details of adverse observation |
|---|---|---|
| Six months ended September 30, 2024 | Nil | Nil |
| Fiscal 2024 | Modification in other legal and regulatory requirements included in the auditor's report on the financial statements of the Company as at and for the year ended March 31, 2024 not requiring adjustments to restated summary statements. | In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except:<br>i. that our Company has not maintained daily back-up of books of accounts and other books and papers maintained in electronic mode in a server physically located in India.<br>ii. for the matters stated in the paragraph 2 (h) (vi) below on reporting under Rule 11(g). |
| Fiscal 2024 | Modification in other legal and regulatory requirements included in the auditor's report on the financial statements of the Company as at and for the year ended March 31, 2024 not | (h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in their opinion and to the best of their information and according to the explanations given to them:<br>i. Our Company has upgraded its accounting software on April |

| Period | Nature of adverse observation | Details of adverse observation |
|---|---|---|
| | requiring adjustments to restated summary statements. | 14, 2023 to a new version of accounting software from an earlier version of the accounting software that it operated for maintaining its books of account during the Fiscal 2024. Based on their examination, they were unable to comment whether the earlier version of the accounting software had a feature of recording audit trail (edit log) facility and whether it was enabled therein. However, the upgraded Edit log version of software has a feature of recording audit trail (edit log) facility, which was enabled in the accounting software and the same has been operated throughout the period from April 14, 2023 to March 31, 2024. Further, they did not come across any instance of the audit trail feature being tampered with, post upgradation of the accounting software. |
| Fiscal 2024 | Clause (vii) (a) of CARO 2016 Order | According to the information and explanations given to them and the records of the Company examined by them, and in their 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 generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.<br><br>Undisputed amounts payable in respect of income-tax dues, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable for a period of more than six months from the date they became payable, as per **Table A** below |
| Fiscal 2023 | Clause (vii) (a) of CARO 2016 Order | According to the information and explanations given to them and the records of the Company examined by them, and in their 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 generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases. |
| Fiscal 2022 | Nil | Nil |

**Table A- Undisputed amounts payable in respect of income-tax dues, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable**

| Nature of the statute | Nature of the dues | Amount in Millions | Period to which amount relates | Due date | Date of payment | Remarks |
|---|---|---|---|---|---|---|
| Income-tax act, 1961 | Tax deducted at source | 0.29 | April to August 2023 | 7th of the subsequent month | In the month of June, July and September 2024 | Paid subsequent to reporting date |
| Income-tax act, 1961 | Income tax | 3.18 | Fiscal 2022 | - | July 24, 2024 | Paid subsequent to reporting date |

## MATERIAL DEVELOPMENTS SINCE SEPTEMBER 30, 2024

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are 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.

**Sub-division of Equity Shares**

Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025, and January 29, 2025, respectively, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the authorized share capital of our Company was sub-divided from 35,000,000 equity shares of ₹10 each to 70,000,000 equity shares of ₹5 each. Further, the issued, subscribed, and paid-up share capital of our Company, consisting of 20,000,000 equity shares of ₹10 each, was sub-divided into 40,000,000 equity shares of ₹5 each. For further details, see "***Capital Structure – Notes to Capital Structure – Equity Share Capital History of our Company***" on page 101.

**Acquisition of two land parcels**

- **Land in Andhra Pradesh**

Our Company pursuant to a sale deed dated December 23, 2024 entered between OPTC Impex Private Limited and Ardee Engineering Limited acquired land located on survey number 131/4 Edulapaka Bonangi Village, Paravada, Visakhapatnam, Andhra Pradesh admeasuring approximately 29,405 square metres. The said land has been acquired pursuant to a sale deed entered between OPTC Impex Private Limited and our Company dated December 23, 2024 for which we paid a total consideration of ₹247.39 million including administrative and regulatory costs.

- **Land in Telangana**

Our Company acquired Plot No. P3, P6, P7, P9 measuring admeasuring approximately 164,308.20 square metres at Industrial Park Seetharampur, Shabad Mandal, Ranga Reddy District, Telangana The land was acquired by us pursuant to the agreement of sale dated March 11, 2025 entered between TSIICL and our Company and the total consideration for this acquisition amounted to ₹624.09 million including administrative and regulatory costs.

For further details, see "***Objects of the Offer***" on page 112.

**Term Loan facility from ICICI Bank Limited**

Our Company has availed rupee term loan 1 from ICICI Bank Limited by virtue of renewal credit arrangement letter dated December 20, 2024 amounting to ₹175.00 million for acquisition of Industrial property located at Plot No. 2 And 3, R S No. 130, 131/4 And 131, Edulapaka Bonangi Village, APIIC IALA Paravada, Paravada Mandal, Anakapalli District, Vishakapatnam, Andhra Pradesh, 531201,

The term loan facility is secured and carries interest I-MCLR-1Y+ Spread per annum, subject to minimum of I-MCLR-1Y, plus applicable statutory levy, if any and repayable in 84 monthly equal instalments.

**Loan from Aditya Birla Finance Limited**

Our Company vide addendum dated February 10, 2025 to the sanction letter dated January 15, 2025, has availed term loan for an amount of ₹350.00 million from Aditya Birla Finance Limited for land acquisition. The loan is secured and carries effective interest rate of 12.50% p.a for a tenor of 72 months. The loan is secured through pledge of 10,400,000 equity shares of Chandra Sekhar Moturu.

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## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2024, as derived from our Restated Financial Information. This table should be read in conjunction with the sections titled "***Risk Factors***", "***Other Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 33, 241 and 343, respectively.

*(₹ in million, except ratios)*

| Particulars | Pre-Offer as at September 30, 2024 | As adjusted for the proposed Offer(1) |
|---|---|---|
| **Borrowings(2)** | | |
| Current borrowings (A) | 1,456.99 | [●] |
| Non-current borrowings (including current maturities) (B) | 439.33 | [●] |
| **Total Borrowings (C = A+B)** | **1,896.32** | **[●]** |
| | | |
| **Total Equity** | | |
| Equity share capital (D) | 200.00 | [●] |
| Other equity (E) | 830.97 | [●] |
| **Total Equity (F=D+E)** | **1,030.97** | **[●]** |
| | | |
| **Long Term borrowings (including current maturities)/ Total Equity (G = B/F)** | 0.43 | **[●]** |
| **Total borrowings / Total Equity (H = C/F)** | 1.84 | **[●]** |

*Notes:*

1) *The corresponding post Offer capitalisation 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.*

2) *Borrowings with original contractual maturity of more than 1 year are classified as non-current as per guidance of Schedule III of the Companies Act, 2013. All other borrowings have been classified as current. Non-current borrowings includes borrowings from banks and others. Non-current borrowings includes current maturities of non-current borrowings.*

3) *The above statement has been prepared for the purpose of disclosing in the Draft Red Herring Prospectus to be filed in connection with the Offer, in accordance with the requirements prescribed under Schedule VI of the SEBI ICDR Regulations. Terms used herein, like other equity etc., shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).*

4) *Pursuant to a resolution passed by our Board and Shareholders on January 28, 2025 and January 29, 2025, respectively, the Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 20,000,000 equity shares of ₹10 each to 40,000,000 Equity Shares of ₹5 each. The impact of such events has not been taken into account for the above disclosure of information.*

## FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for purposes such as, *inter alia*, meeting our working capital requirements and business requirements. For the purposes of the Offer, our Company have obtained the necessary consents required under the relevant documentation for its borrowings in relation to the Offer. For details of the borrowing powers of our Board, see "***Our Management - Borrowing powers***" on page 270.

Set forth below is a summary of our aggregate outstanding borrowings amounting to ₹3,621.82 million, as on January 31, 2025.

*(₹ in million)*

| Particulars | Sanctioned Amount | Amount outstanding as on January 31, 2025 |
|---|---|---|
| **Secured loans - Fund based** | | |
| Term loan | 414.52 | 358.12 |
| Vehicle loans | 62.01 | 52.86 |
| Equipment loans | 164.29 | 135.21 |
| Working capital demand loan and working capital cash credit | 610.00 | 521.80 |
| Business loan | 30.00 | 29.43 |
| Supplier finance arrangement | 207.50 | 206.78 |
| **Total secured borrowings (A)** | **1,488.32** | **1,304.20** |
| | | |
| **Unsecured loan** | | |
| Business loan | 123.53 | 65.42 |
| Supplier finance arrangement | 845.00 | 734.04 |
| Inter corporate business loan | 120.00 | 109.20 |
| Loan from promoters/ directors/related parties | - | 65.31 |
| **Total unsecured borrowings (B)** | **1,088.53** | **973.97** |
| | | |
| **Secured loans - Non-fund based** | | |
| Bank guarantee/Letter of credit | 1,158.40 | 1,138.08 |
| Working capital demand loan | 211.60 | 205.57 |
| **Total non-fund based borrowings (C)** | **1,370.00** | **1,343.65** |
| **Total (A+B+C)** | **3,946.85** | **3,621.82** |

* *As certified by C. Venkat Krishna & Co., Chartered Accountants way of their certificate dated March 27, 2025.*

Key terms of our borrowings are disclosed below:

- ***Tenure***: The tenure of the secured facilities availed by our Company typically ranges from 1 year to 6 years. The tenor of the unsecured facilities availed by our Company typically ranges from 1 year 6 months to 5 years.

- ***Interest rate***: The applicable rate of interest for the fund and non-fund-based facilities availed by our Company is typically linked to benchmark rates, such as the repo rate of a specified lender over a specific period of time plus a specified spread per annum and are subject to mutual discussions between the relevant lenders and our Company, as applicable. The rate of interest for the term loan facilities availed by the Company typically ranges between 9.35%-17.35%. The interest rate for the vehicle loans availed by our Company typically ranges between 8.50% - 11.56% and the rate of interest rate for the unsecured facilities availed by our Company typically ranges from 6.00%- 18.00%.

- ***Security***: In terms of our borrowings where security needs to be created, such security typically includes:

  (i) security charge on stock, book debts, movable and immovable assets;

  (ii) hypothecation of vehicles and plant and machinery;

  (iii) unconditional and irrevocable personal guarantees of Chandra Sekhar Moturu and Ragdeep Moturu;

  (iv) fresh equitable mortgage of industrial property situated at Shed No.6, Sy No.457, Phase III, IDA Patancheru, Sangareddy, Telangana admeasuring 2159 square yards; and

(v) first and exclusive charge through hypothecation on the assets financed by the bank

- ***Repayment***: Our facilities are typically repayable on demand or repayment schedules in the facility documents or on maturity of the facility, as applicable.

- ***Prepayment:*** Some of the loans availed by our Company have prepayment provisions which allows for prepayment of the outstanding loan amount and sometimes carry a pre-payment penalty which ranges from 2- 4% on the outstanding amount subject to terms and conditions stipulated under the loan documents.

- ***Penal interest:*** We are typically bound to pay additional interest to our lenders for defaults in the payment of interest or other monies due and payable. This additional interest is charged as per the terms of our loan agreements and typically range 2.00% per annum, over and above the applicable interest rate.

- ***Restrictive Covenants:*** As per the terms of our borrowings, certain corporate actions for which our Company requires to provide prior written intimation or take prior consent from the lenders include:

  (a) mobilizing additional resources from the capital markets through issue and allotment of Equity Shares, and transfer of Equity Shares in the offer for sale by certain existing shareholders of the Company;

  (b) changes in the capital structure, ownership or control or management control of the Company, including by way of bonus and/ or split of the shares of the Company

  (c) changes in the shareholding pattern of the Company, including any transfer or disposal of Equity Shares in the Offer and/or any dilution of the shareholding of shareholders, directors, promoters and members of the promoter of the Company;

  (d) changes in the management of the Company, including changes in the composition of the board of directors and appointment of independent directors and changes in the key managerial personnel and senior management of the Company and the terms of their appointment, including remuneration in the form of sitting fees or otherwise;

  (e) expansion of business and diversification into non-core areas viz. business other than current business;

  (f) opening of new bank accounts including current accounts, with respect to the Offer;

  (g) amending and/or modifying the constitutional documents of the Company, including the memorandum of association and articles of association to reflect, *inter alia*, compliance with the requirements of the Stock Exchanges and Securities and Exchange Board of India or any changes in the authorized share capital;

  (h) use the proceeds of the Offer at the sole discretion of the Company, in accordance with applicable law;

  (i) appointment and execution of relevant documentations with various intermediaries including merchant bankers, syndicate members, registrars, monitoring agency, public offer banks, escrow bank, refund banks and sponsor banks, as may be required in relation to the Offer;

  (j) investing in or extending any advance/ loans, to any group companies/ associates/ subsidiary/ any other third party;

  (k) pre-payment/repayment in its entirety/ in part of credit facilities being availed by the Company;

  (l) right to appoint nominee directors on the board of directors and committees of the board of directors of the Company under the Loan Documentation; and

  (m) undertaking any other activities as may be required in relation to the Offer.

- ***Events of Default:*** As per the terms of our borrowings, the following, amongst others, constitute events of default for the relevant loan agreement:

(a) Default in repayment of loan facility;

(b) Failure to perform any obligation or breach of terms, representations, warranties and covenants contained in the documents;

(c) Misrepresentations or misstatements by the borrower;

(d) Occurrence of any circumstances or event which adversely affects the borrower's ability to pay/repay the outstanding balance or any part thereof;

(e) Change in constitution, management, or existing ownership or control of the borrower including by reason of liquidation, amalgamation, merger or reconstruction;

(f) Change or termination of employment/profession/business for any reason whatsoever;

(g) If all or any material part of our business is suspended or ceases;

(h) If the loan is used for any purpose other than for which the loan is sanctioned;

(i) Initiation of bankruptcy, insolvency, dissolution or legal proceedings;

(j) Default in creation of security;

(k) Initiation or threat of initiation of a criminal action against our Company, our group or guarantor or their directors;

(l) Jeopardise or likely to prejudice, impair, depreciate any security provided by our Company in relation to the facility;

(m) Asset is destroyed, stolen, confiscated, attached, taken into custody by any authority or subject to any execution proceedings; or

(n) If the Company is adjudicated insolvent or is taking advantage of the law for relief of insolvent debtors.

- ***Consequences of occurrence of events of default:*** In terms of our borrowings, the following, *inter alia*, are the consequences of occurrence of events of default, whereby our lenders may:

(a) Declare all amounts payable by our Company with respect to the facility to be due and payable immediately;

(b) Cancel the undrawn commitments under the Facility;

(c) Appoint a nominee director on the board of directors of our Company to look after its interest;

(d) Convert such outstanding loan into equity share capital of our Company;

(e) Suspend further access / drawls by the Financed Party(s) to the use of the facilities;

(f) Enforcement of security; or

(g) At the cost and expense of the borrower, initiate, pursue, defend such proceedings, whether criminal, civil or otherwise to recover dues or to enforce security.

This is an indicative list of the terms and conditions of the outstanding facilities and there may be additional terms including those that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – Our Company has outstanding loans and is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business***

***and our inability in obtaining timely access to borrowings can have an adverse impact on our Company's liquidity and financial condition***" on page 57.

## SECTION VI – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect tax matters (disclosed in a consolidated manner); and (iv) other pending litigation as determined to be material by our Board pursuant to its resolution dated March 17, 2025 ("**Materiality Policy**") in each case involving our Company, Promoters and Directors ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoters in the last five Financial Years including any outstanding action. Further, there are no outstanding, (i) criminal proceedings; and (ii) actions by regulatory authorities and statutory authorities, against any Key Managerial Personnel and Senior Management of our Company. Further there are no outstanding litigation involving our Group Companies that have a material impact on our Company.*

*For the purpose of material litigation or arbitration under (iv) above, our Board has considered and adopted the Materiality Policy with regard to outstanding litigation to be disclosed by our Company involving the Relevant Parties, in this Draft Red Herring Prospectus. In terms of the Materiality Policy, the following shall be considered 'material' for the purposes of disclosure in this Draft Red Herring Prospectus:*

*(i)* *Monetary threshold: The monetary amount of claim or amount involved by or against the Relevant Parties in any such pending proceeding (including arbitration and civil proceedings) exceeds (i) 2% of turnover, as per the latest annual Restated Financial Information of our Company; or (ii) 2% of net worth, as per the latest annual Restated Financial Information of our Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of absolute value of profit or loss after tax as per the last three annual Restated Financial Information of our Company, whichever is lower. Accordingly, outstanding litigation involving the Relevant Parties have been considered material and disclosed in this section where the aggregate amount involved in such litigation exceeds ₹6.88 million i.e. 5% of the average of absolute value of profit or loss after tax as per the last three annual Restated Financial Information of our Company ("**Materiality Threshold**").*

*(ii)* *Subjective threshold: Such pending matters which are not quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the monetary threshold.*

*(iii)* *Tax matters: In the event any tax matters involve an amount exceeding the monetary threshold proposed in (i) above, in relation to the Relevant Parties, individual disclosures of such tax matters will be included.*

*It is clarified that for the purpose of the litigation approach, unless otherwise decided by the Board of Directors of our Company, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices and show cause notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities or notices threatening criminal action or first information reports) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants or respondents in litigation proceedings before any judicial/arbitral forum or governmental authority.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has adopted the Materiality Policy for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus. For identification of material creditors, a creditor of our Company shall be considered to be material for the purpose of disclosure in the Offer Documents, if the amounts due to such creditor exceeds 5% of the restated consolidated total trade payables of the Company as of the end of the latest financial period covered in the Restated Financial Information. For outstanding dues to micro, small or medium enterprise ("**MSME**") and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated otherwise, the information provided below is as on the date of this Draft Red Herring Prospectus.

**Litigation involving our Company**

***Outstanding litigation against our Company***

*Criminal proceedings*

Nil

*Actions by regulatory/ statutory authorities*

Nil

*Other material pending proceedings*

Nil

***Outstanding litigation by our Company***

*Criminal proceedings*

Nil

*Other material pending proceedings*

Nil

**Litigation involving our Promoters**

***Outstanding litigations against our Promoters***

*Criminal proceedings*

Nil

*Disciplinary actions including penalties imposed by the Stock Exchanges in the last five Financial Years*

Nil

*Actions by regulatory/ statutory authorities*

Nil

*Other material pending proceedings*

Nil

***Outstanding litigations by our Promoters***

*Criminal proceedings*

Nil

*Other material pending proceedings*

Nil

**Litigation involving our Directors**

***Outstanding litigations against our Directors***

*Criminal proceedings*

Nil

*Actions by regulatory/ statutory authorities*

Nil

*Other material pending proceedings*

Nil

***Outstanding litigations by our Directors***

*Criminal proceedings*

Nil

*Other material pending proceedings*

Nil

**Litigation involving our Key Managerial Personnel and Senior Management**

***Outstanding litigations against our Key Managerial Personnel and Senior Management***

*Criminal proceedings*

Nil

*Actions by regulatory/ statutory authorities*

Nil

***Outstanding litigations by our Key Managerial Personnel and Senior Management***

*Criminal proceedings*

Nil

**Tax proceedings**

There are no outstanding tax proceedings involving our Company, Promoters or Directors except as mentioned below.

| Nature of case | Number of cases[1] | Aggregate amount involved to the extent ascertainable (₹ in million) |
|---|---|---|
| ***Company*** | | |
| Direct tax | Nil | Nil |
| Indirect tax | Nil | Nil |
| ***Promoters*** | | |
| Direct tax | Nil | Nil |
| Indirect tax | Nil | Nil |
| ***Directors*** | | |
| Direct tax | Nil | Nil |
| Indirect tax | Nil | Nil |

[1] *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*

**Outstanding dues to creditors**

In terms of the Materiality Policy, such creditors are considered 'material' to whom the amount due exceeds 5% of the restated consolidated trade payables of our Company, as at September 30, 2024. Our Company owed a total sum of ₹1,715.20 million to a total number of 796 creditors as at September 30, 2024.

The details of outstanding dues owed to MSME creditors, material creditors and other creditors, as at September 30, 2024, are set out below:

| Type of creditors | Number of creditors[1] | Amount involved[1] (₹ in million) |
|---|---|---|
| Micro, Small and Medium Enterprises | 66 | 118.06 |
| Material creditors | 3 | 320.58 |
| Other creditors | 727 | 1,276.56 |
| **Total** | **796** | **1,715.20** |

[1] *As certified by C. Venkat Krishna & Co., Chartered Accountants, by way of their certificate dated March 27, 2025.*

The details pertaining to outstanding overdues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://ardee.co.in/outstanding-overdue-to-material-creditors.html.

**Other confirmation**

There are no findings or observations of any of the inspections by SEBI, Stock Exchanges, or any other regulatory authority in India, which are material and which needs to be disclosed, or non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

**Material Developments**

Except as stated in the section "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 343, 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 assets or our ability to pay our liabilities within the next 12 months from the date of the filing of this Draft Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals issued by relevant central and state authorities under various rules and regulations. Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by our Company which is considered material and necessary for the purposes of undertaking their respective businesses and operations ("**Material Approvals**"). Some of these may expire in the ordinary course of business, the applications for renewal of which are submitted in accordance with applicable procedures and requirements.*

*Unless otherwise stated, these Material Approvals are valid as on the date of this Draft Red Herring Prospectus. Except as disclosed in this section, no further Material Approvals are required for carrying on the present business operations of our Company. For further details in connection with the regulatory and legal framework within which we operate, see "**Key Regulations and Policies in India**" on page* 249.

*For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "**Risk Factors – We require various statutory and regulatory permits and approvals in the ordinary course of our business, and our failure to obtain, renew or maintain them in a timely manner may adversely affect our operations**" on page* 66. *For details of approvals and other authorisations obtained by the Company and the Promoter Selling Shareholder in relation to the Offer, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer**" on page* 393. *For incorporation details of our Company, see "**History and Certain Corporate Matters – Brief history of our Company**" on page* 255.

### I. Material Approvals obtained in relation to the business and operations of our Company

We require various approvals, licenses and registrations under regulatory bodies, central and several state-level acts, rules and regulations to carry on our business activities and operations in India. Our Company has obtained the following Material Approvals pertaining to their respective businesses and operations, as applicable.

(i) License to work a factory under the Factories Act, 1948 issued by the Department of Factories, Government of Telangana for our Manufacturing Unit 1 and Manufacturing Unit 2.

### II. Tax related approvals obtained by our Company

(i) The permanent account number of our Company is AATCA7214N issued by the Income Tax Department, Government of India.

(ii) The tax deduction account number of our Company is HYDA24993D issued by the Income Tax Department, Government of India.

(iii) Professional taxpayer registration certificate under the Telangana Tax on Profession Trade, Calling and Employment Act,1987.

(iv) Our Company has obtained the Goods and Services Tax registration certificate issued by the Government of India in various states.

### III. Labour and Employee related approvals obtained by our Company

(i) Under the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952, our Company has been allotted Employees Provident Fund establishment code APPTC/0074515/000 by the Employees Provident Fund Organisation.

(ii) Under the provisions of the Employees' State Insurance Act, 1948, our Company has been allotted code no. 52000498410000699, by the Employees' State Insurance Corporation.

(iii) License bearing reference number CLRA/ALCRAIPUR/2024/146196/L-184 issued by the Labour Department under the Contract Labour (Regulation and Abolition) Act 1970.

(iv) Registration under the Telangana Shops and Commercial Establishments Act, 1988, for the Registered and Corporate Office in Hyderabad.

## IV. Material Approvals pending in respect of our Company

*Material Approvals or renewals applied for but not received*

Except as disclosed in the section titled "Objects of the Offer" on page 112, there are no material approvals or renewals applied for but not received.

*Material Approvals expired and not applied for renewal*

Nil

*Material Approvals required but not applied for or obtained*

Nil

## V. Intellectual Property

***Trademarks***

As of the date of this Draft Red Herring Prospectus, our Company has made the following application for obtaining trademark registration:

| S. No | Description | Class of trademark under the Trademarks Act | Application No | Date of Application |
|---|---|---|---|---|
| 6. | ardee engineering | 42 | 6770940 | December 23, 2024 |
| 7. | ardee | 42 | 6770941 | December 23, 2024 |
| 8. | ardee engineering | 6 | 6908105 | March 17, 2025 |
| 9. | ardee engineering | 7 | 6908106 | March 17, 2025 |

| S. No | Description | Class of trademark under the Trademarks Act | Application No | Date of Application |
|---|---|---|---|---|
| 10. | ardee engineering | 40 | 6908107 | March 17, 2025 |

For further details, see "***Our Business – Intellectual Property***" on page 247.

For details regarding material approvals required for the use of proceeds of the Offer, please see, "***Objects of the Offer***" on page 112.

## OUR GROUP COMPANIES

Pursuant to a resolution of our Board dated March 17, 2025 and as per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered the companies (other than our promoters) with which (i) there were related party transactions as per Ind AS 24, as disclosed in the Restated Financial Information; and (ii) any other companies considered material by our Board pursuant to the Materiality Policy.

With respect to point (ii) above, and in accordance with our Materiality Policy, for the purpose of disclosure in this Draft Red Herring Prospectus, a company shall be considered 'material' and will be disclosed as a group company in this Draft Red Herring Prospectus if, it is a part of the Promoter Group and has entered into one or more transactions with the Company during the most recent financial year or relevant stub period, if any, as per the Restated Financial Information disclosed in this Draft Red Herring Prospectus, which individually or in the aggregate, exceed 10% of the total consolidated income of the Company for such period.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

| Sr. No. | Group Companies | Registered office |
|---|---|---|
| 1. | Anvizen Consultants Private Limited | Flat number. B-1402, 14th Foor, DSR Fortune Prime, Madhapur, Rangareddi, Hyderabad 500 081, Telangana, India |
| 2. | ARCH Logistics Private Limited | 503 and 504, Aditya Court Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India |
| 3. | Ardee Drives Private Limited | Shed No. 79, Phase III IDA Patancheru, Hyderabad 502 319, Telangana, India |
| 4. | Ingwenya Mineral Tech Private Limited | Plot No. 34, 3rd Phase, 4th Main Peenya Industrial Area, Peenya, Bangalore 560 058, Karnataka, India |
| 5. | Rotec Transmissions Private Limited | Shed No. 2, Phase III IDA Patancheru, Hyderabad 502 319, Telangana, India |

**Details of our Group Companies**

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit/(loss) after tax; (iv) basic earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our top five Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years shall be hosted on the websites as indicated below:

| Sr. No. | Top five Group Companies | Website |
|---|---|---|
| 1. | Anvizen Consultants Private Limited | https://ardee.co.in/images/financial/Financial-Line-Item-Of-The-Group-Company.pdf |
| 2. | ARCH Logistics Private Limited | https://ardee.co.in/images/financial/Financial-Line-Item-Of-The-Group-Company.pdf |
| 3. | Ardee Drives Private Limited | https://ardee.co.in/images/financial/Financial-Line-Item-Of-The-Group-Company.pdf |
| 4. | Ingwenya Mineral Tech Private Limited | https://www.inmintec.com/reports/financial-line-item-IMT-company.pdf |
| 5. | Rotec Transmissions Private Limited | https://ardee.co.in/images/financial/Financial-Line-Item-Of-The-Group-Company.pdf |

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Companies and other information provided on the websites given above does not constitute a part of this Draft Red Herring Prospectus. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

Neither our Company nor any of the BRLMs or the Promoter Selling Shareholder nor any of the Company's, BRLMs' or any of their respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the websites given above.

**Nature and extent of interests of our Group Companies**

***In the promotion of our Company***

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

***In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

Our Group Companies are not interested in any transaction for acquisition of land, construction of building or supply of machinery, etc entered into by our Company.

**Business interest of our Group Companies**

Except as disclosed in and under "***Restated Financial Information – Note 35*** – ***Related party transactions***" on page 332, our Group Companies do not have any business interest in our Company.

**Related business transactions**

Except as disclosed in and under "***Restated Financial Information – Note 35*** – ***Related party transactions***" on page 332, there are no other related business transactions with our Group Companies which are significant to the financial performance of our Company.

**Common pursuits**

Except for Ardee Drives Private Limited and Rotec Transmissions Private Limited, who are engaged in the business of manufacturing of engineering equipment, there are no common pursuits between our Group Companies and our Company as on the date of this Draft Red Herring Prospectus. Our Company and our Group Companies will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

**Other confirmations**

Our Group Companies do not have any securities listed on any stock exchange.

Except as disclosed in the "***Restated Financial Information-– Note 35 – Related party transactions***" on page 332, none of our Group Companies or their directors have any conflict of interest with the suppliers of raw materials or third-party service providers, crucial for operations of our Company.

Except as disclosed in " ***- In transactions for acquisition of land, construction of building and supply of machinery, etc.***" on page 392, none of our Group Companies or their directors have any conflict of interest with any lessor of the immovable properties, crucial for operations of our Company.

**Litigation**

As on date of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which has a material impact on our Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Offer**

*Corporate approvals*

- Our Board has authorised the Offer pursuant to a resolution dated February 28, 2025.
- Our Shareholders have authorised the Fresh Issue, pursuant to a special resolution passed at their general meeting held on March 10, 2025.
- Our Board has taken on record the consent and authorisation of the Promoter Selling Shareholder to participate in the Offer for Sale pursuant to its resolution dated March 27, 2025.
- This Draft Red Herring Prospectus was approved pursuant to resolutions passed by our Board on March 27, 2025.

*Approvals from the Promoter Selling Shareholder*

The Promoter Selling Shareholder has confirmed and authorised the transfer of the Offered Shares pursuant to the Offer for Sale, as set out below:

| Name of the Promoter Selling Shareholder | Date of consent letter | Maximum value of Offered Shares |
|---|---|---|
| Chandra Sekhar Moturu | March 27, 2025 | Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹800.00 million |

The Promoter Selling Shareholder specifically confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, it has held the Equity Shares proposed to be offered and sold by it in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus. Further, the Promoter Selling Shareholder confirms that its Offered Shares is eligible to be offered for sale in the Offer in accordance with Regulation 8A of the SEBI ICDR Regulations, to the extent applicable as on the date of this Draft Red Herring Prospectus.

**In-principle listing approvals**

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

**Prohibition by SEBI, RBI or governmental authorities**

Our Company, Promoters, members of our Promoter Group, our Directors, or persons in control of our Company and the Promoter Selling Shareholder are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority or court.

**Compliance with the Companies (Significant Beneficial Owners) Rules, 2018**

Each of our Company, our Promoters, members of our Promoter Group and the Promoter Selling Shareholder, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

**Directors associated with the securities market**

As of the date of the Draft Red Herring Document, none of our Directors are associated with the securities market in any manner. Further, no outstanding action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

**Eligibility for the Offer**

Our Company does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations, as set forth below:

"*An issuer not satisfying the condition stipulated in Regulation 6(1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company that did not satisfy the conditions specified in Regulation 6(1)(a) of the SEBI ICDR Regulations, i.e., our Company's monetary assets was more than 50% of the net tangible assets in the Fiscal 2022 and 2023. We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is 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.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be unblocked/ refunded forthwith in accordance with the SEBI ICDR Regulations and other applicable laws.

Further, our Company confirms that it is eligible 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 following conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations:

(a) neither our Company, nor the Promoter Selling Shareholder, our Promoters, the members of our Promoter Group, or our Directors are debarred from accessing the capital markets by SEBI;

(b) none of our Promoters or our Directors are promoters or directors of any other company which are debarred from accessing capital markets by SEBI;

(c) neither our Company, nor our Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower;

(d) none of our Promoters and our Directors are declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(e) there are no outstanding 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;

(f) Our Company, along with the Registrar to the Offer, has entered into the tripartite agreements dated June 3, 2024 and May 7, 2024 with NSDL and CDSL respectively, for dematerialization of Equity Shares;

(g) the Equity Shares of our Company held by the Promoters are in the dematerialised form; and

(h) all the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("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, BEING IIFL CAPITAL SERVICES LIMTIED *(FORMERLY KNOWN AS IIFL SECURITIES LIMITED)* AND JM FINANCIAL 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 THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND PROMOTER SELLING SHAREHOLDER IS RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY HIM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO HIMSELF OR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGES THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING IIFL CAPITAL SERVICES LIMITED *(FORMERLY KNOWN AS IIFL SECURITIES LIMITED)* AND JM FINANCIAL LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 27, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM 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 THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED 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.**

**Disclaimer from our Company, our Directors, our Promoters, the Promoter Selling Shareholder and the Book Running Lead Managers**

Our Company, our Directors, our Promoters, the Promoter Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at www.ardee.co.in or any affiliate of our Company or of the Promoter Selling Shareholder, would be doing so at his or her own risk.

The Promoter Selling Shareholder accept no responsibility for any statements made or undertakings provided other than those specifically confirmed or undertaken by the Promoter Selling Shareholder, and only in relation to itself and/or to the respective Equity Shares offered by such Promoter Selling Shareholder through the Offer for Sale.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Promoter Selling Shareholder (only with respect to itself and the Offered Shares) and the BRLMs 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.

Bidders who Bid in the Offer will be required to confirm and would be deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, partners, designated partners, trustees, officers, employees, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, partners, designated partners, trustees, officers, employees, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, its Associates, Group Companies, Promoter Selling Shareholder and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Group Companies, the Promoter Selling Shareholder and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

**Disclaimer in respect of jurisdiction**

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, Hindu Undivided Families ("**HUFs**"), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important Non-Banking Financial Companies ("**NBFCs**") or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority of India ("**IRDAI**"), permitted provident funds (subject to applicable law) and permitted pension funds (subject to applicable law), 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, Government of India ("**GoI**") and permitted Non-Residents including Foreign Portfolio Investors ("**FPIs**") and Eligible NRIs, Alternate Investment Funds ("**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 invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

**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 and shall not be offered or sold within the United States. 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 applicable laws of the jurisdictions where such offers and sales occur. 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 issued 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 the BSE Limited**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the 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 the National Stock Exchange of India Limited**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the 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 proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for the listing and trading of the Equity Shares being issued and sold in the Offer and [●] 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. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Promoter Selling Shareholder with regard to interest on such refunds as required under the Companies Act, 2013 and any other applicable law will be reimbursed by Promoter Selling Shareholder as agreed among our Company and the Promoter Selling Shareholder in writing, in proportion to its the Offered Shares. Provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder and such liability shall be limited to the extent of its respective Offered Shares.

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 three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. The Promoter Selling Shareholder shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the 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 as may be prescribed by the SEBI.

The Promoter Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from such Selling Shareholder in relation to its 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) the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Joint Statutory Auditors, the legal counsel to the Company, the bankers to our Company, industry report provider, CARE, independent chartered engineer, practicing company secretary, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank, Refund Bank and Monitoring Agency to act in their respective capacities, will be obtained. Further, such consents obtained under (a) have not been withdrawn up to the date of this Draft Red Herring Prospectus.

**Experts to the Offer**

Our Company has received written consent dated March 27, 2025 from C. Venkat Krishna & Co., Chartered Accountants and M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants, our Joint Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) examination report dated March 17, 2025 relating to the Restated Financial Information and (ii) the statement of special tax benefits dated March 27, 2025 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated March 27, 2025 from C. Venkat Krishna & Co., Chartered Accountants to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act with respect to various certificates issued by them in their capacity as one of the Joint Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated March 27, 2025, from the independent chartered engineer, namely A Ajay Reddy, to include their name 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 a chartered engineer, in relation to their certificate dated March 27, 2025. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated March 27, 2025, from Stratalign Advisors Private Limited, to include their name in this Draft Red Herring Prospectus and be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the detailed project report in connection with the Project 1 and Project 2 and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated March 27, 2025 from Chava & Associates, Practicing Company Secretary, to include their name as an independent practicing company secretary under Section 26 of the Companies Act in this Draft Red Herring Prospectus and be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated March 27, 2025 and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus.

**Particulars regarding public or rights issues during the last five years**

Except as disclosed in "***Capital Structure – Notes to capital structure - Equity share capital history of our Company***" on page 101, our Company has not undertaken any public issue or any rights issue to the public in the five years preceding the date of this Draft Red Herring Prospectus.

**Commission or brokerage on previous issues in the last five years**

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares during the five years preceding the date of this Draft Red Herring Prospectus.

**Capital issues in the preceding three years by our Company, our listed group companies, subsidiaries and associates of our Company**

Except as disclosed in "***Capital Structure – Notes to capital structure***" on page 101, our Company has not made any capital issue during the three years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, we do not have a subsidiary and none of our Associates or Group Companies are listed.

**Performance vis-à-vis objects – public/rights issue of our Company**

Except as disclosed in "***Capital Structure - Notes to capital structure – Equity share capital history of our Company***" on page 101, there have been no public issues or any rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis objects - public/rights issue of any listed subsidiary/listed Promoters of our Company**

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiary or corporate promoter.

## Price information of past issues handled by the Book Running Lead Managers

### IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited).*

| Sr. No. | Issuer Name | Issue Size (in Rs. Mn) | Issue Price (Rs.) | Designated Stock Exchange as disclosed in the red herring prospectus filed | 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. | Ecos (India) Mobility & Hospitality Limited | 6,012.00 | 334.00 | NSE | September 4, 2024 | 390.00 | +42.28%, [+0.20%] | -0.51%, [-3.66%] | -46.42%, [-12.20%] |
| 2. | Bajaj Housing Finance Limited | 65,600.00 | 70.00 | NSE | September 16, 2024 | 150.00 | +99.86%, [-1.29%] | +89.23%, [-2.42%] | +64.64%, [-11.77%] |
| 3. | Waaree Energies Limited | 43,214.40 | 1,503.00 | NSE | October 28, 2024 | 2,500.00 | +68.05%, [-0.59%] | +49.15%, [-5.12%] | N.A. |
| 4. | Sagility India Limited | 21,064.04 | 30.00(1) | NSE | November 12, 2024 | 31.06 | +42.90%, [+3.18%] | +75.40%, [-1.35%] | N.A. |
| 5. | Zinka Logistics Solutions Limited | 11,147.22 | 273.00(2) | BSE | November 22, 2024 | 279.05 | +84.47%, [-1.36%] | +54.41%, [-4.47%] | N.A. |
| 6. | NTPC Green Energy Limited | 1,00,000.00 | 108.00(3) | NSE | November 27, 2024 | 111.50 | +16.69%, [-2.16%] | -8.89%, [-5.53%] | N.A. |
| 7. | Sai Life Sciences Limited | 30,426.20 | 549.00 | NSE | December 18, 2024 | 650.00 | +30.57%, [-3.67%] | +28.39%, [-6.98%] | N.A. |
| 8. | Ventive Hospitality Limited | 16,000.00 | 643.00(4) | NSE | December 30, 2024 | 716.00 | +5.51%, [-2.91%] | N.A. | N.A. |
| 9. | Standard Glass Lining Technology Limited | 4,100.51 | 140.00 | NSE | January 13, 2025 | 172.00 | +14.49%, [-0.06%] | N.A. | N.A. |
| 10. | Hexaware Technologies Limited | 87,500 | 708.00(5) | NSE | February 19, 2025 | 745.50 | +3.45%, [+1.12%] | N.A. | N.A. |

*Source:* www.nseindia.com*;* www.bseindia.com, *as applicable*

1. *A discount of ₹2 per equity share was offered to eligible employees bidding in the employee reservation portion.*
2. *A discount of ₹25 per equity share was offered to eligible employees bidding in the employee reservation portion.*
3. *A discount of ₹5 per equity share was offered to eligible employees bidding in the employee reservation portion.*
4. *A discount of ₹30 per equity share was offered to eligible employees bidding in the employee reservation portion.*
5. *A discount of ₹67 per equity share was offered to eligible employees bidding in the employee reservation portion.*

**Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 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 from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited).*

| **Financial Year** | **Total No. of IPO's** | **Total funds raised (in Rs. Mn)** | **No. of IPOs trading at discount – 30th calendar days from listing** | | | **No. of IPOs trading at premium – 30th calendar days from listing** | | | **No. of IPOs trading at discount – 180th calendar days from listing** | | | **No. of IPOs trading at premium – 180th calendar days from listing** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **Over 50%** | **Between 25-50%** | **Less than 25%** | **Over 50%** | **Between 25-50%** | **Less than 25%** | **Over 50%** | **Between 25-50%** | **Less than 25%** | **Over 50%** | **Between 25-50%** | **Less than 25%** |
| 2024-25 | 16 | 4,81,737.17 | - | - | 1 | 6 | 4 | 5 | - | 2 | - | 4 | 1 | 1 |
| 2023-24 | 15 | 1,54,777.80 | - | - | 4 | 3 | 4 | 4 | - | - | 1 | 5 | 4 | 5 |
| 2022-23 | 12 | 1,06,650.92 | - | - | 4 | - | 4 | 4 | - | - | 3 | 1 | 4 | 4 |

*Source:* www.nseindia.com*;* www.bseindia.com, *as applicable*

*Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.*

*NA means Not Applicable.*

## JM Financial Limited

*1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

| Sr. No. | Issue name | Issue Size (₹ in million) | Issue price (₹) | Listing Date | Opening price on Listing Date (in ₹) | +/- % 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. | Ajax Engineering Limited*[13] | 12,688.84 | 629.00 | February 17, 2025 | 576.00 | -2.86% [-0.55%] | Not Applicable | Not Applicable |
| 2. | Ventive Hospitality Limited*[12] | 16,000.00 | 643.00 | December 30, 2024 | 716.00 | 5.51% [-2.91%] | Not Applicable | Not Applicable |
| 3. | Inventurus Knowledge Solutions Limited* | 24,979.23 | 1,329.00 | December 19, 2024 | 1,900.00 | 40.85% [-3.13%] | 13.77% [-4.67%] | Not Applicable |
| 4. | Zinka Logistics Solutions Limited# [7] | 11,147.22 | 273.00 | November 22, 2024 | 279.05 | 84.47% [-1.36%] | 54.41% [-4.02%] | Not Applicable |
| 5. | ACME Solar Holdings Limited*[11] | 29,000.00 | 289.00 | November 13, 2024 | 251.00 | -6.02% [4.20%] | -25.62% [-0.75%] | Not Applicable |
| 6. | Western Carriers (India) Limited* | 4,928.80 | 172.00 | September 24, 2024 | 171.00 | -20.69% [-5.80%] | -34.65% [-9.07%] | -52.05% [-9.98%] |
| 7. | Bajaj Housing Finance Limited* | 65,600.00 | 70.00 | September 16, 2024 | 150.00 | 99.86% [-1.29%] | 89.23% [-2.42%] | 64.64% [-11.77%] |
| 8. | Baazar Style Retail Limited#[10] | 8,346.75 | 389.00 | September 06, 2024 | 389.00 | -1.32% [0.62%] | -16.11% [-0.28%] | -43.43% [-10.09%] |
| 9. | Brainbees Solutions Limited*[9] | 41,937.28 | 465.00 | August 13, 2024 | 651.00 | 37.49% [3.23%] | 21.39% [0.04%] | -10.02% [-2.40%] |
| 10. | Ceigall India Limited*[8] | 12,526.63 | 401.00 | August 8, 2024 | 419.00 | -4.89% [3.05%] | -14.01% [0.40%] | -26.17% [-3.13%] |

*Source: www.nseindia.com and www.bseindia.com*
*# BSE as Designated Stock Exchange*
** NSE as Designated Stock Exchange*
*Notes:*

(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) *For change in closing price over the closing price as on the listing date, 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.*
(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; 180th calendar day has been taken a listing date plus 179 calendar days.*
(6) *Restricted to last 10 issues.*
(7) *A discount of ₹25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
(8) *A discount of ₹38 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
(9) *A discount of ₹44 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
(10) *A discount of ₹35 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
(11) *A discount of ₹27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
(12) *A discount of ₹30 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
(13) *A discount of ₹59 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

*2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

| Financial Year | Total no. of IPOs | Total funds raised (₹ in millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25% - 50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2024-2025 | 13 | 255,434.10 | - | - | 5 | 5 | 2 | 1 | 1 | 2 | 1 | 3 | - | 1 |
| 2023-2024 | 24 | 288,746.72 | - | - | 7 | 4 | 5 | 8 | - | - | 5 | 7 | 5 | 7 |

| Financial Year | Total no. of IPOs | Total funds raised (₹ in millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25% - 50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2022-2023 | 11 | 316,770.53 | - | 1 | 3 | - | 5 | 2 | - | 2 | 2 | 2 | 3 | 2 |

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the Book Running Lead Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Managers, as set forth in the table below:

| Sr. No. | Name of the BRLMs | Website |
|---|---|---|
| 1. | IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* | www.iiflcap.com |
| 2. | JM Financial Limited | www.jmfl.com |

**Stock market data of the Equity Shares**

This being the initial public offering 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.

**Mechanism for Redressal of Investor Grievances**

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 on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the Self Certified Syndicate Banks ("**SCSBs**") for addressing any clarifications or grievances of ASBA Bidders.

**Bidders can contact the Company Secretary and Compliance Officer and/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 orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.**

All Offer related 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 Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, Unified Payments Interface Identity ("**UPI ID**"), Permanent Account Number ("**PAN**"), address of Bidder, number of the 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 Bid cum Application 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. For Offer-related grievances, investors may contact the BRLMs, details of which are given in "***General Information – Book Running Lead Managers***" on page 93.

All Offer-related 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, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two 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 two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The SEBI ICDR Master Circular streamlines the process to handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular issued by the SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI ICDR Master Circular, 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.

Separately, in accordance with the SEBI ICDR Master Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, 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 Bid Amount; and<br>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 |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and<br>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 finalisation 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 BRLMs shall be liable to compensate the investor by ₹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.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

**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 SCSBs in case of ASBA bidders for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the SCORES platform and shall comply with the SEBI circulars in relation to redressal of investor grievances through SCORES.

Our Company has appointed Disha Jindal, as the Company Secretary and Compliance Officer. For further details, see “***General Information – Company Secretary and Compliance Officer***” on page 92. The Promoter Selling Shareholder has authorised the Company Secretary and Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders solely to the extent of the statements specifically made, confirmed or undertaken by the Promoter Selling Shareholder in the Offer Documents in respect of themselves and their respective Offered Shares.

Our Company has also constituted Stakeholders' Relationship Committee to resolve the grievances of the security holders of our Company. For further details, see "***Our Management – Stakeholders' Relationship Committee***" on page 273.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by Securities and Exchange Board of India**

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

**Other confirmations**

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

Except as disclosed in "***Our Management- Interest in land and property***" and "***Our Promoter and Promoter Group - Interest in property, land, construction of building and supply of machinery***"- on pages 269 and 283, none of our Group Companies or their directors have any conflict of interest with any lessor of the immovable properties, crucial for operations of our Company.

Except as disclosed in the "***Restated Financial Information-– Note 35 – Related party transactions***" on page 332, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company.

## SECTION VII – OFFER RELATED INFORMATION

## TERMS OF THE OFFER

The Equity Shares being offered and Allotted/ transferred pursuant to this Offer are and shall be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association, our Articles of Association, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, transfer of securities and listing and trading of securities, offered from time to time, by SEBI, Government of India ("**GoI**"), the Stock Exchanges, the Registrar of Companies, Telangana at Hyderabad, the Reserve Bank of India, and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, GoI, the Stock Exchange, the RoC, the RBI, and/or other authorities while granting its approval for the Offer.

### The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder. For details in relation to the sharing of Offer expenses, see "***Objects of the Offer - Offer related expenses***" on page 135.

### Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, our Memorandum of Association and our Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment as per the applicable law. For further details, see "***Main Provisions of the Articles of Association***" beginning on page 438.

### Mode of payment of dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, our Memorandum of Association and our Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect or any other applicable law. Any dividends declared, after the date of Allotment in the Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" beginning on pages 286 and 438, respectively.

### Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹5 each and the Offer Price at the Floor Price of the Price Band is ₹[●] per Equity Share and at the Cap Price of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in accordance with applicable laws and, in consultation with the BRLMs, and published by our Company in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Telugu daily newspaper, Telugu being the regional language of Telangana, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the 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 at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand and prevalent market conditions for Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

**Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the Equity Shareholders will have the following rights:

1. right to receive dividends, if declared;

2. right to attend general meetings and exercise voting powers, unless prohibited by law;

3. right to vote on a poll either in person or by proxy and e-voting in accordance with the provisions of the Companies Act, 2013;

4. right to receive offers for rights shares and be allotted bonus shares, if announced;

5. right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;

6. right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and

7. such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" beginning on page 438.

**Allotment of Equity Shares only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in dematerialised form only. As per the SEBI ICDR Regulations and SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, two agreements have been entered into and amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated June 3, 2024, among NSDL, our Company and the Registrar to the Offer.

- Tripartite agreement dated May 7, 2024, among CDSL, our Company and Registrar to the Offer.

**Market Lot and Trading Lot**

Since trading of the Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares of face value of ₹5 each, subject to a minimum Allotment of [●] Equity Shares of face value of ₹5 each for QIBs and RIIs. For NIIs, allotment shall not be less than the Minimum Non-Institutional Application Size. For the method of Basis of Allotment, see "***Offer Procedure***" beginning on page 417.

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

**Joint Holders**

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

**Period of subscription list of the Offer**

For details, see "- ***Bid/ Offer Period***" on page 408.

**Nomination Facility**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. 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 nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. 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 Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- 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, interests, 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 form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

**Bid/Offer Period**

| | |
|---|---|
| **BID/OFFER OPENS ON*** | [●] |
| **BID/OFFER CLOSES ON**#** | [●] |

* *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

** *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for Qualified Institutional Buyers ("**QIB**") one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

# *Unified Payments Interface ("**UPI**") mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

| Event | Indicative Date |
|---|---|
| **Bid/ Offer Closing Date** | [●] |
| **Finalisation of Basis of Allotment with the Designated Stock Exchange** | On or about [●] |
| **Initiation of refunds for Anchor Investors/ unblocking of funds from ASBA Account*** | On or about [●] |
| **Credit of Equity Shares to demat of Allottees** | On or about [●] |
| **Commencement of trading of the Equity Shares on the Stock Exchanges** | On or about [●] |

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, in accordance with applicable law. For (i) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (ii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess*

*amounts were blocked till the date of actual unblock; (iii) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB for such delay in unblocking, in accordance with applicable law. The Bidders shall be compensated by the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/ unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the Self Certified Syndicate Bank(s)("**SCSB**"), to the extent applicable.*

**The above timetable is indicative and does not constitute any obligation on our Company or the Promoter Selling Shareholder or the BRLMs. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of Bid/ Offer Closing Date or such time as may be prescribed by SEBI, with reasonable support and co-operation of the Promoter Selling Shareholder, as may be required in respect of its Offered Shares, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges 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 Promoter Selling Shareholder confirms that it shall extend all reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such time as prescribed by SEBI.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid/ Offer Closing Date or such time 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.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing 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 of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors | Only between 10.00 a.m. and up to 5.00 p.m. IST |
| Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications as a payment mechanism where Bid Amount is up to ₹500,000) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications) | Only between 10.00 a.m. and up to 3.00 p.m. IST |
| Submission of Physical Applications (Bank ASBA) | Only between 10.00 a.m. and up to 1.00 p.m. IST |
| Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹500,000) | Only between 10.00 a.m. and up to 12.00 p.m. IST |
| **Modification/ Revision/cancellation of Bids** | |
| Upward Revision of Bids by QIBs and Non-Institutional Investors categories# | Only between 10.00 a.m. on the Bid/ Offer Opening Date and up to 4.00 p.m. IST on Bid/ Offer Closing Date |
| Upward or downward Revision of Bids or cancellation of Bids by RIIs | Only between 10.00 a.m. on the Bid/ Offer Opening Date and up to 5.00 p.m. IST on Bid/ Offer Closing Date |

* *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

\# *QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/ withdraw their Bids.*

**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 Investors; and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors 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 reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs 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 application supported by blocked amount ("**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.

To avoid duplication, the facility of re-initiation provided to members of the Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

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 and, in any case, no later than 1.00 p.m. (Indian Standard Time) on 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 on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period and shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Further, 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 the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public/bank 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.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations provided that the Cap Price will 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 and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price may 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 at least 105% of the Floor Price and less than or equal to 120% 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 unforeseen circumstances, our Company, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, 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 BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**Minimum Subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024. If there is a delay beyond two Working Days after our Company becomes liable to pay the amount, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum. It is clarified that the Promoter Selling Shareholder shall be liable to refund money raised in the Offer together with any interest for delays in making refunds as per applicable law, only to the extent of its Offered Shares. Notwithstanding the foregoing, no liability to make any payment of interest shall accrue on the Promoter Selling Shareholder and such interest shall be borne by our Company unless any delay of the payments to be made hereunder, or any delay in obtaining listing and/or trading approvals or any approvals in relation to the Offer is solely and directly attributable to an act or omission of Promoter Selling Shareholder.

The requirement for minimum subscription is not applicable to the Offer for Sale. In the event of undersubscription 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 following order: (i) such number of Equity Shares will first be Allotted by the Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon achieving (i) above, all the Equity Shares held by the Promoter Selling Shareholder and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by the Promoter Selling Shareholder); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue portion.

Undersubscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange.

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, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) 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 treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

**New financial instruments**

Our Company is not issuing any new financial instruments through the Offer.

**Restrictions, if any on transfer and transmission of Equity Shares**

Except for lock-in of pre-Offer equity shareholding of our Company, minimum Promoter's contribution and Anchor Investor lock-in in the Offer, as detailed in "***Capital Structure – History of the share capital held by our Promoters - Build-up of Promoters' shareholding in our Company***" on page 103 and except as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" beginning on page 438, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

**Option to receive Equity Shares in dematerialized form**

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. 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.

**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 and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer, 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 and price band advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer and price band advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

## OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹5 each, for cash at a price of ₹[●] per Equity Share aggregating up to ₹5,800.00 million comprising a Fresh Issue of up to [●] Equity Shares of face value of ₹5 each, aggregating up to ₹5,000.00 million by our Company and an Offer for Sale of up to [●] Equity Shares of face value of ₹5 each, aggregating up to ₹800.00 million by the Promoter Selling Shareholder.

The Offer comprises up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹[●] million. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, 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, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Offer in compliance with applicable law. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares of our Company on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement, if undertaken, shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 and 32 of the SEBI ICDR Regulations.

| Particulars | Qualified Institutional Buyers ("QIB")(1) | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|---|
| Number of Equity Shares available for Allotment or allocation*(2) | Not less than [●] Equity Shares of face value of ₹5 each | Not more than [●] Equity Shares of face value of ₹5 each available for allocation or Offer less allocation to QIB Bidders and RIIs | Not more than [●] Equity Shares of face value of ₹5 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors |
| Percentage of Offer Size available for Allotment or allocation | Not less than 75% of the Offer shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Category 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 Net QIB Category. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Category | Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation. One-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000. | Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation |
| Basis of Allotment if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion):<br><br>a) [●] Equity Shares of face value of ₹5 each shall be available for allocation on a proportionate basis | The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Category shall be subject to the following:<br>(a) One-third of the Non-Institutional Category will be available for | The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see |

| Particulars | Qualified Institutional Buyers ("QIB")(1) | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|---|
| | to Mutual Funds only; and<br><br>b) [●] Equity Shares of face value of ₹5 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above<br><br>Up to 60% of the QIB Category (of up to [●] Equity Shares of face value of ₹5 each) 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 | allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000; and<br>(b) Two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 The unsubscribed portion in either of the aforementioned subcategories may be allocated to applicants in the other sub-category of Non-Institutional Investors.<br><br>The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum non-institutional application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations | "***Offer Procedure***" beginning on page 417 |
| Mode of Bid^ | ASBA process only (excluding UPI Mechanism) (except in case of Anchor Investors) | ASBA Process only (including the UPI Mechanism), to the extent of Bids up to ₹500,000 | ASBA Process only (including the UPI Mechanism) |
| Minimum Bid | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹5 such that the Bid Amount exceeds ₹200,000. | For Non-Institutional Bidders applying under (i) One-third of the Non-Institutional Category such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million For Non-Institutional Bidders applying under (ii) Two-thirds of the Non-Institutional Category such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹1.00 million | [●] Equity Shares of face value of ₹5 each |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹5 each not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits to each Bidder. | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹5 each not exceeding the size of the Offer (excluding the QIB Category), subject to limits applicable to Bidder. | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹5 each so that the Bid Amount does not exceed ₹200,000. |
| Mode of Allotment | Compulsorily in dematerialised form | | |
| Bid Lot | [●] Equity Shares of face value of ₹5 each and in multiples of [●] Equity Shares of face value of ₹5 each thereafter | | |

| Particulars | Qualified Institutional Buyers ("QIB")[(1)] | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|---|
| Allotment Lot | [●] Equity Shares of face value of ₹5 each and in multiples of one Equity Shares of face value of ₹5 each thereafter for QIBs and RIIs. For NIIs allotment shall not be less than the minimum non-institutional application size. | | |
| Trading Lot | One Equity Share | | |
| Who can apply[(3)(4)(5)] | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013 ("**Companies Act**"), scheduled commercial banks, Mutual Funds, Foreign Portfolio Investors ("**FPIs**") (other than individuals, corporate bodies and family offices), Venture Capital Funds ("**VCFs**"), Alternate Investment Funds ("**AIFs**"), Foreign Venture Capital Investors ("**FVCIs**") registered with Securities and Exchange Board of India ("**SEBI**"), multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with Insurance Regulatory and Development Authority of India ("**IRDAI**"), provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India ("**GoI**") through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the 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 Non-Banking Financial Companies ("**NBFCs**") in accordance with applicable laws. | Resident Indian individuals, Eligible Non-Resident Individuals ("**NRIs**"), Hindu Undivided Families ("**HUFs**") (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPIs (as defined in the SEBI FPI Regulations) and registered with SEBI. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) |
| Terms of Payment | **In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)]<br><br>**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 Bank(s) through the UPI Mechanism (other than Anchor Investors), that is specified in the ASBA Form at the time of submission of the ASBA Form | | |

*Assuming full subscription in the Offer.*

^ *The SEBI ICDR Master Circular has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders.*

(1) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, 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 ₹500 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company, in consultation with the BRLMs. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Category. For further details, see "**Offer Procedure**" beginning on page 417.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Category 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 Category, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Category for proportionate allocation to all QIBs. Further, if at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors, of which (a) one-third portion shall be reserved for applicants with a Bid size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds portion shall be reserved for applicants with a Bid size of more than ₹1,000,000, 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 and not more than 10% of the Offer shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

(3) *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.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.*

(5) *Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Bids by FPIs with certain structures as described under "***Offer Procedure - Bids by Foreign Portfolio Investors***" on page 422 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, on proportionate basis as per the SEBI ICDR Regulations.

# OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by the 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, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. 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/Applicants; (v)issuance of CAN and allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.*

*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.*

*Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus. Further, our Company, the Promoter Selling Shareholder and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.*

*Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.*

**Book Building Procedure**

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, of which one-third 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. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (other than the Anchor Investor Portion). Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Category, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Category for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors, in accordance with the SEBI ICDR Regulations, of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and under- subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Portion, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Undersubscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and in consultation with the BRLMs and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Category, will not be allowed to be met with spill-over from any other category or a combination of categories. Further, if at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

Investors must ensure that their Permanent Account Number ("**PAN**") is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including depository participant's identity number ("**DP ID**"), client identification number ("**Client ID**"), PAN and unified payments interface identity number ("**UPI ID**"), as applicable, 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.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company has appointed the Sponsor Banks to act as a conduit between the Stock Exchanges and National Payments Corporation of India ("**NPCI**") in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, *inter alia*, has enhanced the per transaction limit from ₹200,000 to ₹500,000 for applications using UPI in initial public offerings.

Pursuant to the UPI Circulars, 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 Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send short message service ("**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 Working 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 BRLMs will be required to compensate the concerned investor.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Further, in accordance with the SEBI ICDR Master Circular, all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

(i) a syndicate member;

(ii) a stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); or

(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

**Electronic registration of Bids**

(i) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

(ii) 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.

(iii) 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.

(iv) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

**Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE Limited ("**BSE**") (www.bseindia.com) and the National Stock Exchange of India Limited ("**NSE**") (www.nseindia.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 BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders shall Bid in the Offer through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. In accordance with the SEBI ICDR Master Circular, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. RII, QIB, NII and other reserved categories and also for all modes through which the applications are processed.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient credit balance such that an amount equivalent to full Bid Amount can be blocked therein, at the time of submitting the Bid. as the application made by an ASBA Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the investor's bank accounts, pursuant to the SEBI ICDR Master Circular.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^ | [●] |

| Category | Colour of Bid cum Application Form* |
|---|---|
| Non-Residents including Foreign Portfolio Investors ("**FPIs**"), Eligible Non-Resident Investors ("**NRIs**") applying on a repatriation basis, foreign Venture Capital Investors ("**FVCIs**") and registered bilateral and multilateral institutions | [●] |
| Anchor Investors^^ | [●] |

* *Excluding the electronic Bid cum Application Form.*

^ *Electronic Bid cum Application Form will be made available for download on the website of the BSE (*www.bseindia.com*) and NSE (www.nseindia.com).*

^^ *Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For RIIs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and 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.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, Core Banking System ("**CBS**") data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that trading members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NIB and QIB bids above ₹200,000, through SCSBs only.

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 p.m. on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

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 on compliance with the UPI Circulars.

For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

**Participation by the Promoters and Promoter Group of our Company, BRLMs, the Syndicate Members and their associates and affiliates and the persons related thereto**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) Alternate Investment Funds ("**AIFs**") sponsored by the entities which are associate of the BRLMs;

(iv) Foreign Portfolio Investors ("**FPIs**") other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or

(v) pension funds sponsored by entities which are associate of the BRLMs.

Except to the extent of the Offered Shares, our Promoters and the members of our Promoter Group will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLMs" 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 and the BRLMs.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value ("**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 ("NRIs")**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or foreign currency non-resident accounts ("**FCNR Accounts**"), and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid

Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation of Eligible NRIs in the Offer shall be subject to the Foreign Exchange Management Act ("**FEMA**") Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share 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 Overseas Citizen of India ("**OCI**") put together shall not exceed 10% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 436.

**Bids by Hindu Undivided Families ("HUFs")**

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

**Bids by Foreign Portfolio Investors ("FPIs")**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company 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 Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

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, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

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 SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, 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 multiple investment managers ("**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 in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- 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;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). 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 any of the above-mentioned structures 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 shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

**Bids by Securities and Exchange Board of India ("SEBI") registered Venture Capital Funds ("VCFs"), Alternate Investment Funds ("AIFs") and Foreign Capital Investors ("FVCIs")**

SEBI VCF Regulations as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations, the venture capital funds 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. SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Non-Debt Instruments Rules.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

**Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs 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, in consultation with the BRLMs, reserves 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 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

**Bids by Self-Certified Syndicate Banks ("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, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, systematically important non-banking finance company ("**NBFC-SI**"), insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

**Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Category. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.

(e) Our Company may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under 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, 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, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) 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 BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 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 Offer 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 Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(i) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion. See "***– Participation by the Promoters and Promoter Group of our Company, BRLMs, the Syndicate Members and their associates and affiliates and the persons related thereto***" above.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Category will not be considered multiple Bids.

**Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI 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 auditors, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

The above information is given for the benefit of the Bidders. Bidders are advised to make their independent investigations and ensure that any single Bid from it does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by it under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholder and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

**General Instructions**

Please note that QIBs and Non-Institutional Investors 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. RIIs 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 Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft 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) and PAN 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;

7. UPI Bidders Bidding using the UPI Mechanism 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. Ensure that you 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;

9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Offer Closing Date;

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 of 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. 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;

16. 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;

17. 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;

18. 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;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. 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 initial public offerings ("**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;

21. 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 www.sebi.gov.in);

22. 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 Bidder Bidding through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

23. Ensure that the Demographic Details are updated, true and correct in all respects;

24. 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;

25. The ASBA Bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

26. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise 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 authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation 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 UPI Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised 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 bidding using the UPI Mechanism 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 using the UPI Mechanism 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 authorise 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 HUFs and any individuals, corporate bodies and family offices which are recategorized as category II FPI and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

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 on the list available on the website of SEBI and updated from time to time and at such other websites as may be prescribed by SEBI from time to time 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 ₹200,000 for Bids by Retail Individual Investors;

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 Investors);

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 this Draft Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by the 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. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

19. Anchor Investors should not bid through the ASBA process;

20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

21. 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;

22. Do not submit the GIR number instead of the PAN;

23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

25. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

26. 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 Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. 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. UPI Bidders Bidding through the UPI Mechanism 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;

32. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;

33. Do not Bid if you are an OCB; and

34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹500,000.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

For helpline details of the BRLMs in accordance with the SEBI ICDR Master Circular, see "***General Information – Book Running Lead Managers***" on page 93.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information – Company Secretary and Compliance Officer***" on page 92.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two 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 ICDR Master Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. 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 the BRLMs shall continue to coordinate with intermediaries involved in the said process.

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 BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the 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 the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIIs, 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. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Category, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with a Bid size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with a Bid size of more than ₹1,000,000, 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 Investors. The allotment to each Non-Institutional Investor shall not be less than the minimum NII application size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

**Payment into Anchor Investor Escrow Account**

Our Company, in consultation with the BRLMs 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

Instead, Anchor Investors should transfer the Bid Amount (through direct credit, real time gross settlement ("**RTGS**"), national automated clearing house ("**NACH**") or national electronic fund transfer ("**NEFT**") to the Escrow Account(s). 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 Promoter Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer and price band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Telugu daily newspaper, Telugu being the regional language of Telangana, where our Registered Office is located).

In the pre-Offer and price band advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The information set out above is given for the benefit of the Bidders/applicants. 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.**

In accordance with RBI regulations, Overseas Corporate Body ("**OCB**") cannot participate in the Offer.

**Allotment Advertisement**

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement not later than one Working Day after the commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (Telugu daily newspaper, Telugu being the regional language of Telangana, where our Registered Office is located).

**Signing of the Underwriting Agreement and Filing with the RoC**

a) Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price but prior to the filing of the Prospectus.

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, 2013, which is reproduced below:

"*Any person who:*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or 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, 2013, for fraud involving an amount of at least ₹1 million or 1% of the turnover of our 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 our 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 such other time period as may be prescribed by the SEBI or applicable law 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, 2013, 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;

- where release of block on the applicable amount for unsuccessful Bidders or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the applicants;

- adequate arrangements shall be made to collect ASBA applications;

- that if our Company or the Promoter Selling Shareholder do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company 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 and price band advertisements were published. The Stock Exchanges shall be informed promptly;

- that if our Company and/or the Promoter Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Promoter Selling Shareholder subsequently decide to proceed with the Offer;

- except for the allotment of Equity Shares pursuant to the Pre-IPO Placement, no further issue of securities shall be made till the securities offered through the Offer Document are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with applicable law; and

- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

**Undertakings by the Promoter Selling Shareholder**

The Promoter Selling Shareholder specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and 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 and are in dematerialised form;

- the Promoter Selling Shareholder is the legal and beneficial owner of the Offered Shares with valid and marketable title, and shall be transferred pursuant to the Offer, free and clear of any encumbrances;

- the Promoter Selling Shareholder shall transfer the Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;

- the Promoter Selling Shareholder shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer; and

- the Promoter Selling Shareholder shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from the Stock Exchanges in accordance with applicable law.

**Utilisation of proceeds from the Offer**

Our Board certifies that:

(i) all 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, 2013;

(ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## 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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy and Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. Under the FEMA Non-debt Instruments Rules and current Consolidated FDI Policy, 100% foreign investment is permitted in 'Manufacturing' sector (including contract manufacturing) in India under automatic route. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments of the ministries.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the Consolidated FDI Policy and the FEMA Non-Debt Instruments Rules has been amended to state that all investments, subscription, purchase or sale of equity instrument under the foreign direct investment route 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. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the 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 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 the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible Non-resident Indians***" and "***Offer Procedure – Bids by Foreign Portfolio Investors***" on page 421 and 422, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction 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.**

For further details, see "***Offer Procedure***" beginning on page 417.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The provisions of the Articles of Association of our Company ("**Articles**") are detailed below. Further, except for the following, there is no material clause of Article of Association which have been left out from disclosure having a bearing on the Offer:*

**(THE COMPANIES ACT, 2013)**

**(COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION**

**OF**

**ARDEE ENGINEERING LIMITED**

Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013, as amended, be such as are contained in these Articles.

### I. DEFINITIONS AND INTERPRETATION

**1. In these Articles:**

**1.1** Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which the Articles become binding on the Company. In these Articles:

"**Act**" means Companies Act, 2013 and any amendments, re-enactments or other statutory modifications thereof for the time being in force and rules made thereunder, as amended.

"**Alternate Director**" shall have the meaning assigned to it in Article 147 of these Articles.

"**Annual General Meeting**" means the annual General Meeting held in accordance with Section 96 of the Act.

"**Articles**" means the articles of association of the Company as amended from time to time in accordance with the Act.

"**Auditors**" shall mean and include those persons appointed as such for the time being by the Company.

"**Beneficial Owner**" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

"**Board**" or "**Board of Directors**" means the board of directors of the Company as constituted from time to time in accordance with the applicable Law and the terms of these Articles.

"**Board Meeting**" means a meeting of the Directors duly called, constituted and held or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles and the Act.

"**Company**" means Ardee Engineering Limited, a company incorporated under the Companies Act, 2013.

“**Chairman**” or “**Chairperson**” means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board and/ or General Meetings of the Company.

“**Debenture**” includes debenture stock, bonds or any other instrument evidencing a debt, whether constituting a charge on the assets of the Company, or not.

“**Depositories Act**” means the Depositories Act, 1996, as amended or any statutory modification or re-enactment thereof for the time being in force.

“**Depository**” means a Depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992, as amended.

“**Director**” means a director of the Board appointed from time to time in accordance with the terms of these Articles and the provisions of the Act.

“**Dividend**” means the dividend including the interim dividend, as defined under the Act.

“**Equity Share Capital**” means in relation to the Company, its equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

“**Encumbrance**” means any encumbrance, including, without limitation, charge, claim, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), option, security interest, mortgage, easement, encroachment, public/ common right, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, any provisional, conditional or executional attachment and any other interest held by a third party.

“**General Meeting**” means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary General Meeting.

“**Independent Director**” shall have the meaning assigned to the said term under the Act and the applicable Law.

“**INR**” or “**Rs.**” means the Indian Rupee, the currency and legal tender of the Republic of India.

“**Law**” includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority, statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

“**Managing Director**” means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director, by whatever name called.

“**Member**” means a member of the Company within the meaning of sub-Section 55 of Section 2 of the Act, as amended from time to time.

“**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, as may be altered from time to time.

“**Ordinary Resolution**” shall have the meaning assigned to it in Section 114 of the Act.

“**Original Director**” shall have the meaning assigned to it in Article 147 of these Articles.

“**Office**” shall mean the registered office of the Company.

“**Paid up Capital**” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of Shares issued by the Company and also includes any amount credited as paid-up in respect of Shares of the Company but does not include any other amount received in respect of such Shares, by whatever name called.

“**Person**” means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law.

“**Preference Share Capital**” means in relation to the Company, its preference Share capital within the meaning of Section 43 of the Act, as amended from time to time.

“**Proxy**” means an instrument whereby any person is authorized to vote for a member at a General Meeting on a poll and shall include an attorney duly constituted under a power-of-attorney.

“**Registrar**” or “**RoC**” or “**Registrar of Companies**” means Registrar of Companies, Telangana at Hyderabad.

“**Seal**” means the common seal of the Company.

“**SEBI**” means Securities and Exchange Board of India.

“**Secretary**” or “**Company Secretary**” means company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, as amended, who is appointed by the Company to perform the functions of a company secretary under the Act.

“**Securities**” shall have the same meaning as ascribed to the term under Securities Contract Regulation Act, 1956, as amended.

“**Shares**” means a share in the Share Capital of the Company and includes stock.

“**Share Capital**” means the Equity Share Capital and Preference Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any option or other convertible security of the Company.

“**Shareholder**” shall mean a Member of the Company.

“**Special Resolution**” shall have the meaning assigned to it in Section 114 of the Act.

**1.2** The terms “*writing*” or “*written*” include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.

**1.3** The headings hereto shall not affect the construction hereof.

**1.4** Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

**1.5** Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

**1.6** Any reference to a decision of the Board and/ or any committee of the Board shall, in the absence of an express statement to the contrary, refer to a simple majority decision of the Board and/ or the relevant committee of the Board or of the Shareholders.

**1.7** Any reference to the Equity Shares or any class of Preference Shares held by the shareholders or persons holding a right to subscribe to Equity Shares, shall include the Equity Shares or such class of Preference Shares issued and allotted in relation to such Equity Shares or Preference Shares pursuant to any stock split, bonus issuance or consolidation undertaken by the Company.

**1.8** Notwithstanding anything to the contrary contained under these Articles, on and from the day the Company is converted from a private limited company to a public company, all the provisions as applicable to a public company under the Act shall apply to the Company and any provision under these Articles, only to the extent contrary to applicable Law, such provision shall be deemed to be modified only to the extent required for the purpose of compliance with applicable Law. For avoidance of doubt, unless contrary to applicable Law, the rights of the Investors as stated in these Articles shall not be affected by this provision.

**II. PUBLIC COMPANY**

**2. The Company is a public company within the meaning of the Act.**

**III. SHARE CAPITAL AND VARIATION OF RIGHTS**

**3.** The authorized Share Capital of the Company shall be as set out in clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

**4.** Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Board, who may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Sections 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

**5.** Subject to these Articles and the provisions of the Act, the Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

**6.** Subject to the provisions of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:

**6.1** consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

**6.2** convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

**6.3** sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or

**6.4** cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.

**7.** Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/ or listing requirements and that the provisions of these Articles.

**8.** Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.

**9.** The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.

**10.** Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/ allotment of further Shares either out of the unissued Share Capital or increased Share Capital then, such further Shares may be offered to:

**10.1** Persons who, at the date of offer, are holders of equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (a) shall contain a statement of this right, *provided that* the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

Nothing in sub-Article (i)(b) above shall be deemed to extend the time within which the offer should be accepted; or to authorize any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. The notice referred to in sub- Article (i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least three days before the opening of the offer.

**10.2** employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

**10.3** any Persons, if authorized by a Special Resolution, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, subject to the compliance with applicable Laws.

**11.** Nothing in Article 10 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.

**12.** Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.

**13.** Any Debentures, debenture stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

**14.** The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depository Receipts or Global Depository Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depository Receipts or Global Depository Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.

**15.** If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied accordingly. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

**16.** The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

**17.** Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

**18.** Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.

**19.** Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

**20.** Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

**20.1** the Share Capital;

**20.2** any capital redemption reserve account; or

**20.3** any securities premium account.

## IV. CAPITALISATION OF PROFITS

**21.** The Company in General Meeting may, upon the recommendation of the Board, resolve –

**21.1** that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and

**21.2** that such sum be accordingly set free for distribution in the manner specified in Article 22 below amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

**22.** The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 23 below, either in or towards:

**22.1** paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or

**22.2** paying up in full, un-issued Shares of the Company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or

**22.3** partly in the way specified in Article 22(i) and partly in that specified in Article 22(ii);

**22.4** a securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying of un-issued Shares to be issued to members of the Company as fully paid bonus Shares.

**22.5** the Board shall give effect to the resolution passed by the Company in pursuance of this Article.

**23.** Whenever such a resolution as aforesaid shall have been passed, the Board shall:

**23.1** make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

**23.2** generally, do all acts and things required to give effect thereto.

**24.** The Board shall have power to:

**24.1** make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and

**24.2** authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

**25.** Any agreement made under such authority shall be effective and binding on such Members.

## V. COMMISSION AND BROKERAGE

**26.** The Company may exercise the powers of paying commissions conferred by Section 40(6) of the Act (as amended from time to time), *provided that* the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

**27.** The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules.

**28.** The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

**29.** The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

## VI. LIEN

**30.** The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares. Provided that the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article.

**31.** Subject to the provisions of the Act, 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 -

**31.1** unless a sum in respect of which the lien exists is presently payable; or

**31.2** until the expiration of 14 (fourteen) 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 the person entitled thereto by reason of his death or insolvency.

**32.** A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.

**33.** **33.1** To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.

**33.2** The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

**33.3** 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 in reference to the sale.

**34.** **34.1** The proceeds of the 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.

**34.2** 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.

## VII. CALLS ON SHARES

**35.** Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

**36.** Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

**37.** A call may be revoked or postponed at the discretion of the Board.

**38.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

**39.** The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

**40.** If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten percent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.

**41.** Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**42.** The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the monies due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls on any Share may carry interest but shall not confer a right to dividend or to participate in profits. The Board may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

**VIII. DEMATERIALIZATION OF SHARES**

**43.** The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of the Act.

Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

**44.** Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

**45.** Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the

Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.

**46.** If a Person opts to hold his Shares with a depository, the Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.

**47.** All Shares held by a Depository shall be dematerialized and shall be in a fungible form.

**47.1.1** Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.

**47.1.2** Save as otherwise provided in (i) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

**48.** Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.

**49.** Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.

**50.** In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

**IX. TRANSFER OF SHARES**

**51. Transferability of Shares**

The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (Two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

**52. Where Shares are converted into stock:**

**52.1** the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; *Provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

**52.2** the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

**53.** Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, *provided that* such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

**54.** Subject to the provisions of the Act, these Articles, the Securities (Contracts) Regulation Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.

**55.** Only fully paid Shares or Debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any infant, insolvent or a person of unsound mind.

**56.** The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

**57.** The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

**57.1.1** the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or

**57.1.2** any transfer of Shares on which the Company has a lien.

**58.** The Board may decline to recognize any instrument of transfer unless—

**58.1.1** the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;

**58.1.2** the instrument of transfer is accompanied by the certificate of the 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

**58.1.3** the instrument of transfer is in respect of only one class of Shares

**59.** 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 documents.

**60.** The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.

**X. TRANSMISSION OF SHARES**

**61.** On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

**62.** Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

**62.1.1** to be registered as holder of the Share; or

**62.1.2** to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers 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.

**63.** The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

**64.** If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

**65.** 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 provisions contained herein and until he does so, he shall not be freed from any liability in respect of the shares.

**66.** All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers 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.

**67.** A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall 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 the General Meetings of the Company, *provided that* the Board may, at any time, give 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

## XI. FORFEITURE OF SHARES

**68.** If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

**69.** The notice issued under Article 68 shall:

**69.1** name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

**69.2** 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 will be liable to be forfeited.

**70.** If the requirements of any such notice as aforesaid is 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.

**71.** Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

**72.** At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**73.** 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 to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.

**74.** 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.

**75.** 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 Person claiming to be entitled to the Share.

**76.** The Company may receive the consideration, if any, given for the Share on any sale, or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of.

**77.** The transferee shall there upon be registered as the holder of the Share.

**78.** The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

**79.** The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

**XII. SHARES AND SHARE CERTIFICATES**

**80.** The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a “foreign register” of Members or Debenture holders resident in that country.

**81.** A Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares.

**82.** Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –

**82.1.1** one certificate for all his Shares without payment of any charges; or

**82.1.2** several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.

**83.** Every certificate of Shares shall be under the seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. Further, out of the two Directors there shall be at least one director other than managing or whole-time director, where the composition of the Board so permits. *Provided that* in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders. The Company may sub-divide or consolidate the share certificates.

**84.** If any Share stands in the names of 2 (Two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.

**85.** The Board may subject to the provisions of the Act, accept from any Member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.

**86.** If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of ₹20 for each certificate. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

*Provided that* notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

**87.** Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed thereunder.

**88.** Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (*27*) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the Company and such other details as may be prescribed under the Act.

## XIII. SHAREHOLDERS' MEETINGS

**89.** An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government) and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.

**90.** All notices of, and other communications relating to, any General Meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.

**91.** All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.

**92.** The business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the auditors; in the case of any other meeting, all business shall be deemed to be special.

**93.** No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.

**94.** **94.1** The Board may, whenever it thinks fit, call an extraordinary General Meeting.

**94.2** The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

**94.3** A General Meeting of the Company may be convened by giving not less than clear 21 (Twenty-One) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of Members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.

**94.4** Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

**94.5** A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance to the provisions of Section 101 of the Act. Provided that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.

**94.6** Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

**94.7** Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

## XIV. PROCEEDINGS AT SHAREHOLDERS' MEETINGS

**95.** No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.

**96.** Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

**97.** In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.

**98.** In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

**99.** The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

**100.** If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

**101.** The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.

**102.** No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.

**103.** When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

**104.** Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**105.** Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/ her own motion and shall be ordered to be taken by him/ her on a demand made in accordance with Section 109 of the Act.

**106.** The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**107.** Notwithstanding anything contained elsewhere in these Articles, the Company:

**107.1** shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

**107.2** may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

**108.** Directors may attend and speak at General Meetings, whether or not they are Shareholders.

**109.** A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

**110.** The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.

**111.** If there is no such Chairperson or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.

**112.** If at any General Meeting no Director is willing to act as the Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairperson of the General Meeting. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

## XV. VOTES OF MEMBERS

**113.** Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

**113.1** on a show of hands, every Member present in Person shall have 1 (one) vote; and

**113.2** on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.

**114.** The Chairperson shall not have a second or casting vote in the event of an equality of votes at General Meetings of the Company.

**115.** At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than ₹5,00,000 (Indian Rupees Five Lakh) or such higher amount as may be prescribed has been paid up.

**116.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**117.** A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

**118.** In case of joint holders, the vote of the senior who tenders a vote, whether in Person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

**119.** A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**120.** No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/ her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

**121.** No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.

**122.** A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

**123.** Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.

**124.** The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**125.** The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.

**126.** Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/ her in accordance with Section 109 of the Act.

**127.** The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.

**128.** Of the two scrutinisers, one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed.

**129.** The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.

**130.** The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

**131.** The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.

**132.** On a poll taken at meeting of the Company, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

**133.** Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

**134.** At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the proxy register with proxies and the register of Directors' holdings.

## XVI. PROXY

**135.** Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.

**136.** The proxy shall not be entitled to vote except on a poll.

**137.** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**138.** An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

**139.** 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 the 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 the adjourned meeting at which the proxy is used.

## XVII. DIRECTORS

**140.** The business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or by these Articles.

**141.** Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), *provided that* the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (One hundred and eighty-two) days in each financial year.

**142.** The Directors need not hold any qualification Shares in the Company.

**143.** The Board of Directors shall appoint the Chairperson of the Company. The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company.

**144.** Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act.

**145.** The Directors may also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 197 of the Act.

**146.** Subject to the applicable provisions of the Act, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.

**147.** Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.

**148.** In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "Original Director"), subject to these Articles, the Board may appoint another Director (an "Alternate Director"), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.

**149.** The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

**150.** At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.

**151.** No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (Thirty) days of his appointment in the manner prescribed in the Act.

**152.** Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.

**153.** The Company may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the Managing Director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.

**154.** If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.

**155.** In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.

**156.** The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/ or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

## XVIII. MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

**157.** The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their bodies to the office of the Managing Director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

**158.** Subject to the provisions of any contract between him and the Company, the Managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.

**159.** Subject to the provisions of the Act, a Managing Director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine.

**160.** The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a Managing Director or whole time director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

## XIX. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

**161.** Subject to the provisions of the Act, a chief executive officer, manager or a company secretary may be appointed by the Board on such terms and conditions and remuneration as it may deem fit and the chief executive officer, manager or company secretary so appointed may be removed by means of a resolution of the Board.

## XX. MEETINGS OF THE BOARD

**162.** The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

**163.** A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board.

**164.** Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.

**165.** The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means shall also be counted for the purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

**166.** The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

**167.** If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

**168.** Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

**169.** Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

**170.** The Managing Director shall be entitled to take the chair as chairperson of the meetings of the Board. In his absence, the Board may appoint a vice-chairman of the Board of Directors to preside over the meeting. If at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairperson of the meeting.

**171.** In case of equality of votes, the Chairperson of the Board shall have a casting vote at Board meetings of the Company.

**172.** The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.

**173.** Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**174.** A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (Five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

**175.** A committee may meet and adjourn as it thinks fit.

**176.** Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.

**177.** Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

**178.** All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

**179.** Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

## XXI. POWERS OF THE DIRECTORS

**180.** The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these Articles are expressly directed to be exercised by the Members in the General Meeting.

**181.** Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers covered under Section 179(3)(d) to Section 179(3)(f) to any committee of the Board, managers, or any other principal officer of the Company as they may deem fit and may at their own discretion revoke such powers.

**182.** The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.

**183.** Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; *provided that* the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

**184.** Subject to the provisions of the Act and the and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of Debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available.

**185.** The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies* and bills or may authorise any other Person or Persons to exercise such powers.

## XXII. BORROWING POWERS

**186.** Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.

**187.** The Board of Directors shall not except with the consent of the Company by way of a Special Resolution, borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up Share Capital, free reserves and securities premium of the Company.

## XXIII. DIVIDEND AND RESERVES

**188.** The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**189.** Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

**190.** The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**191.** 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.

**192.** No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.

**193.** 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.

**194.** The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.

**195.** Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or demand draft 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 of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.

**196.** Every such cheque shall be made payable to the order of the Person to whom it is sent.

**197.** Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

**198.** Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.

**199.** No dividend shall bear interest against the Company.

**200.** A Shareholder can waive/ forgo the right to receive the dividend (either final and/ or interim) to which he is entitled, on some or all the equity Shares held by him in the Company. However, the Shareholder cannot waive/ forgo the right to receive the dividend (either final and/ or interim) for a part of percentage of dividend on Share(s).

**201.** Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.

**202.** Any money transferred to the 'Unpaid Dividend Account' of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued, if any, to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act. There shall be no forfeiture of unclaimed or unpaid dividends before the claim becomes barred by law.

**203.** All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

**204.** The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.

## XXIV. INSPECTION OF ACCOUNTS

**205.** **205.1** The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.

**205.2** The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.

**205.3** No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.

**205.4** Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.

## XXV. SERVICE OF DOCUMENTS

**206.** **206.1** A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed: Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

**206.2** Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed: Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

## XXVI. SECRECY

**207.** Every manager, auditor, trustee, member of a Committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all *bona fide* transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the Law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

## XXVII. WINDING UP

**208.** The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended. (to the extent applicable).

## XXVIII. THE SEAL

**209.** **209.1** The Board shall provide for the safe custody of the seal of the Company

**209.2** The seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (One) Director or Company Secretary or any other official of the Company as the Board may decide and that 1 (One) Director or Company Secretary or such official shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014, as amended.

## XXIX. AUDIT

**210.** Subject to the provisions of the Act, the Company shall appoint an auditor at an Annual General Meeting to hold office from the conclusion of that Annual General Meeting until the conclusion of the sixth Annual General Meeting from such Annual General Meeting, and every auditor so appointed shall be informed of his appointment within 15 days.

**211.** The Directors may fill up any casual vacancy in the office of the auditors within 30 (Thirty) days subject to the provisions of Section 139 and 140 of the Act and the rules framed thereunder.

**212.** The remuneration of the auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company may in the General Meeting determine.

## XXX. GENERAL AUTHORITY

**213.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

**214.** At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Act and the Listing Regulations, the provisions of the Act and the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Act and the Listing Regulations, from time to time.

## XXXI. INDEMNITY

**215.** Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the National Company Law Tribunal.

## 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 and includes contracts entered into until the date of this Draft Red Herring Prospectus) which are, or may be deemed material will be attached to the copy of the Red Herring Prospectus and filed with the RoC (except for such contracts and documents executed after the filing of the Red Herring Prospectus). Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office, from 10.00 am to 5.00 pm on all Working Days and will also be available on the website of our Company at www.ardee.co.in from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, except for such contracts and documents that will be entered into or executed subsequent to the completion of the Bid/Offer Closing Date.

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 other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

***Material Contracts to the Offer***

1. Offer Agreement dated March 27, 2025 entered into among our Company, the Promoter Selling Shareholder and the BRLMs.

2. Registrar Agreement dated March 27, 2025 entered into among our Company, the Promoter Selling Shareholder and the Registrar to the Offer.

3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

4. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Promoter Selling Shareholder, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.

5. Share Escrow Agreement dated [●] entered into among the Promoter Selling Shareholder, our Company and the Share Escrow Agent.

6. Syndicate Agreement dated [●] entered into among the Members of the Syndicate, our Company, the Promoter Selling Shareholder and the Registrar to the Offer.

7. Underwriting Agreement dated [●] entered into among our Company, the Promoter Selling Shareholder and the Underwriters.

***Material Documents***

1. Deed of partnership dated January 18, 2008 of Ardee Engineering Company, as amended and supplemented from time to time.

2. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

3. Certificate of incorporation dated July 20, 2020 issued by the Registrar of Companies, Central Registration Centre, in the name of Ardee Engineering Private Limited to our Company.

4. Fresh certificate of incorporation dated August 5, 2024 issued by the Registrar of Companies, Central Registration Centre pursuant to change of name from Ardee Engineering Private Limited to Ardee Engineering Limited.

5. Resolution of our Board dated February 28, 2025 approving the Offer and other related matters.

6. Shareholders' resolution dated March 10, 2025 approving the Fresh Issue and other related matters.

7. Resolution of our Board dated March 27, 2025 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

8. Resolution of our Board dated March 27, 2025 taking on record the consent and authorisation of the Promoter Selling Shareholder to participate in the Offer for Sale.

9. Consent letter and authorisation from the Promoter Selling Shareholder consenting to participate in the Offer for Sale.

10. Copies of the annual reports of our Company for the Fiscals 2024, 2023 and 2022.

11. The examination report dated March 17, 2025 of the Joint Statutory Auditors on our Restated Financial Information.

12. The report dated March 27, 2025 on the statement of special tax benefits available to the Company, its shareholders from the Joint Statutory Auditors.

13. Consent dated March 27, 2025 from C. Venkat Krishna & Co., Chartered Accountants and M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants, our Joint Statutory Auditors, 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 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) examination report, dated March 17, 2025 on our Restated Financial Information; (ii) their report dated March 27, 2025 on the statement of special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

14. Our Company has received written consent dated March 27, 2025 from C. Venkat Krishna & Co., Chartered Accountants to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act with respect to various certificates issued by them in their capacity as one of the Joint Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

15. Consent dated March 27, 2025 from the independent chartered engineer, namely A Ajay Reddy, to include their name 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 a chartered engineer, in relation to their certificate dated March 27, 2025.

16. Consent dated March 27, 2025 from Stratalign Advisors Private Limited, an independent advisory firm of engineers, to include their name in this Draft Red Herring Prospectus and be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in connection with the Project.

17. Consent dated March 27, 2025 from Chava & Associates, Practicing Company Secretary, to include their name as an independent practicing company secretary under Section 26 of the Companies Act in this Draft Red Herring Prospectus and be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated March 27, 2025.

18. Resolution of our Board dated August 21, 2024 and shareholders' resolution dated September 30, 2024 read with resolution of our Board dated January 28, 2025 and shareholders' resolution dated January 29, 2025 appointing Chandra Sekhar Moturu as the Managing Director of our Board.

19. Resolution of our Board dated January 28, 2025 and shareholders' resolution dated January 29, 2025 appointing Chandra Sekhar Moturu as the Chairman of our Board.

20. Employment agreement dated August 25, 2024 read with amendment agreement dated January 28, 2025 entered into between Ardee Engineering Limited and Chandra Sekhar Moturu.

21. Resolution of our Board dated August 21, 2024 and shareholders' resolution dated September 30, 2024, as amended pursuant to resolution of our Board dated January 28, 2025 and shareholders' resolution dated January 29, 2025, appointing Ragdeep Moturu as the Whole Time Director of our Board.

22. Employment agreement dated August 21, 2024 read with amendment agreement dated January 28, 2025 entered into between Ardee Engineering Limited and Ragdeep Moturu.

23. Resolution of our Board dated August 21, 2024 and shareholders' resolution dated September 30, 2024 appointing Arundeep Moturu as the Executive Director of our Board.

24. Employment agreement dated September 17, 2024 entered into between Ardee Engineering Limited and Arundeep Moturu.

25. Resolution of our Board dated August 21, 2024 and shareholders' resolution dated September 30, 2024 appointing Krishna Kumari Moturu as the Executive Director of our Board.

26. Employment agreement dated September 17, 2024 entered into between Ardee Engineering Limited and Krishna Kumari Moturu.

27. Resolution of our Board dated August 21, 2024 and shareholders' resolution dated September 30, 2024 appointing Gorrepati Sundararama Sarma as the Executive Director of our Board.

28. Employment agreement dated August 21, 2024 entered into between Ardee Engineering Limited and Gorrepati Sundararama Sarma.

29. Certificate relating to weighted average cost of acquisition per equity share dated March 27, 2025 issued by C. Venkat Krishna & Co., Chartered Accountants.

30. Certificate relating to basis for Offer Price dated March 27, 2025 issued by C. Venkat Krishna & Co., Chartered Accountants.

31. Certificate relating to financial indebtedness dated March 27, 2025 issued by C. Venkat Krishna & Co., Chartered Accountants.

32. Certificate relating to utilisation of the loans to be repaid from the Net Proceeds dated March 27, 2025 issued by C. Venkat Krishna & Co., Chartered Accountants and M S K C & Associates LLP (*formerly known as M S K C & Associates*), Chartered Accountants, our Joint Statutory Auditors.

33. Certificate dated March 27, 2025, from C. Venkat Krishna & Co., Chartered Accountants, certifying the KPIs of our Company.

34. Consent of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Joint Statutory Auditors, the legal counsel to the Company, the bankers to our Company, lenders to our Company (wherever applicable), the BRLMs and Registrar to the Offer.

35. Consent letter dated March 27, 2025 from CARE to rely on and reproduce part or whole of the CARE Report and include their name in this Draft Red Herring Prospectus.

36. Industry report titled "*Research Report on Construction Engineering*" dated March 27, 2025 prepared and issued by CARE, commissioned and paid for by our Company and engagement letter dated October 15, 2024.

37. Resolution dated March 27, 2025, passed by the Audit Committee approving the key performance indicators.

38. Resolution dated March 27, 2025, passed by the Board of Directors of our Company approving the objects of the Offer.

39. Undertaking dated [●] submitted by the BRLMs to the SEBI in relation to disclosure of the Pre-IPO Placement by way of public advertisement and the Price Band advertisement.

40. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to the utilization of the proceeds from the Pre-IPO Placement.

41. In-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

42. Tripartite Agreement dated June 3, 2024 among our Company, NSDL and the Registrar to the Offer.

43. Tripartite Agreement dated May 7, 2024 among our Company, CDSL and the Registrar to the Offer.

44. Due diligence certificate to SEBI from the BRLMs, dated March 27, 2025.

45. SEBI final observation letter number [●] 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 reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Chandra Sekhar Moturu**
**Designation**: Chairman and Managing Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Ragdeep Moturu**
**Designation:** Whole Time Director
**Date**: March 27, 2025
**Place**: Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Arundeep Moturu**
**Designation**: Executive Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Krishna Kumari Moturu**
**Designation**: Executive Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Gorrepati Sundararama Sarma**
**Designation**: Executive Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Yalamanchili Visweswara Prasad**
**Designation**: Independent Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Srinivas Aravapalli**
**Designation**: Independent Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Ravinder Komaragiri**
**Designation**: Independent Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Ravikanth Mallina**
**Designation**: Independent Director
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Anjaneyulu Krothapalli**
**Designation**: Independent Director
**Date:** March 27, 2025
**Place:** Los Gatos, California

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sneha Sunkara**
**Designation**: Independent Director
**Date:** March 27, 2025
**Place:** Hyderabad

**DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines/ regulations/rules issued by the Government of India, or the guidelines/ regulations / rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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**Krishna Kumari Moturu**
**Date:** March 27, 2025
**Place:** Hyderabad

## DECLARATION

I, Chandra Sekhar Moturu, 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 a Promoter Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures or undertakings, including, any of the statements, disclosures or undertakings made or confirmed by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY CHANDRA SEKHAR MOTURU**

**Chandra Sekhar Moturu**
**Date:** March 27, 2025
**Place:** Hyderabad